

**MINUTES**  
Eugene Budget Committee  
McNutt Room—City Hall  
777 Pearl Street

May 20, 2009  
8:30 p.m.

PRESENT: John Barofsky, Chair; Claire Syrett, Vice Chair; Betty Taylor, Jennifer Solomon, Chris Pryor, Mike Clark, Andrea Ortiz, Kate Davidson, Mary Ann Holser, Joseph Potwora, Doug Smith, George Brown, Alan Zelenka, members; City Manager Jon Ruiz; Assistant City Manager Sarah Medary; Kristie Hammitt, Central Services Department; Dee Ann Raile, Kitty Murdoch, John Huberd, Pavel Gubanikhin, Karen Burling, Financial Services; Susan Muir, Scott Luell, Planning and Development Department; Kurt Corey, Becky Carlson, Public Works Department; Mike Magee, Library, Recreation, and Cultural Services Administration; AIC Chief Pete Kerns, Glen Svendsen, Eugene Police Department; Fire Chief Randall Groves, Fire & Emergency Medical Services; Glenn Klein, City Attorney; Kitty Piercy, Mayor.

ABSENT: Noah Kamrat, Terry McDonald, members.

Mr. Barofsky called the City of Eugene Budget Committee meeting to order.

**I. FINAL ACTION ON THE FY10 CITY OF EUGENE AND URBAN RENEWAL AGENCY BUDGET RECOMMENDATIONS TO THE CITY COUNCIL**

City Manager Jon Ruiz highlighted the attachment entitled *FY09 General Fund Revenue Estimates*. He stressed that because of the economic climate, the revenue estimates were changing often. He reviewed the plan to save \$12 million, which included a footprint reduction and continued negotiation with the unions to reduce employee costs.

Mr. Zelenka arrived.

Mr. Ruiz stated that they intended to initiate a public process to garner input on how city services could be adjusted.

Mr. Barofsky thanked staff for putting the attachment together.

Mr. Clark observed that the amount of the Contribution In Lieu of Tax (CILT) that was listed in the attachment was increased by \$1.5 million, but he had seen a different amount in an email from Eugene Water & Electric Board (EWEB) General Manager Randy Berggren. He asked why there was a difference of \$250,000. Finance Director, Dee Ann Raile, responded that this was staff's estimate based on the wholesale and retail revenues of EWEB. She said if EWEB said differently, she could not argue with that.

Mr. Clark ascertained from Ms. Raile that the CILT number could be different at the end of the fiscal year. Ms. Raile added that all of the numbers could change.

Mr. Barofsky called on Mr. Clark to make the first motion.

Mr. Clark stated that he had worked with Mr. Brown to craft the motion. He said the Ending Fund Balance (EFB) would be one resource, noting that the \$250,000 increase in the CILT could play a role in this, and the sale of excess properties could be another source. He explained that he had asked for, and received, a list of the City's land holdings and it included approximately 40 properties that were currently underutilized. He estimated that the City could sell those properties for between \$7 and \$10 million. He pointed out that if some of this property was sold, it would begin to generate revenue in the form of property taxes, possibly as much as \$100,000 per year. He thought the City could sell some property to bridge the funding gap over the short-term, or it could sell \$10 million worth of property and place it in a fund to generate money on an ongoing basis.

Mr. Clark, seconded by Mr. Brown, moved to fund five new police officer positions with \$730,000 on an ongoing basis, with funding coming out of two places or potentially three; the first possible source could be the Ending Fund Balance (EFB), the second possible source could be from the sale of excess properties.

In response to a question from Mr. Ruiz, Mr. Clark clarified that he included the possibility of a third source of revenue because he did not want to tie staff's hands. He wanted to emphasize that adding five officers was important; it was a priority and should the use of the EFB or the sale of properties not be practical, a third source would need to be determined.

Ms. Ortiz wanted to ensure that any excess property considered for selling was not being land banked for future parks or low-income housing developments.

Mr. Pryor called this "outside the box thinking." He observed that to sell a great deal of property and set up a fund would be akin to creating an endowment. He asked what rate of return was expected from such a fund. Ms. Raile replied that the City was earning 2.5 percent interest currently. She stated that the City was limited in the type of investments it was legal to participate in. She said preservation of principal was the highest priority in order to protect the taxpayers' money.

Mr. Pryor remarked that the tradeoff was whether the amount of money such a fund would generate would compensate for having the \$10 million in property taken out of the City's use. He agreed that there was a critical need to increase the number of officers.

Mr. Potwora said he would be in favor of the motion if they would make tough decisions about where the funding was coming from. He averred that it was going backwards to throw out ideas that would come from one-time funding resources.

Mr. Brown reiterated that there would be a gain in the property taxes. He thought this was at least a starting point. He added that he and Mr. Clark acknowledged that in reality the City would not be able to double the police force, but they could take some baby steps.

Ms. Holser asked if the properties were on the market. Mr. Clark responded that he understood that the City Manager had assembled a task group to study this, but they had not done the work yet.

Ms. Holser remarked that the market was pretty "iffy" at present. She asked if five officers were needed for any particular positions.

Mr. Zelenka recalled that he and a co-maker had made a motion to create a fund from money from the Facility Reserve. He said the motion was a little speculative, but he could see that the money would not be

perpetual but it would get a substantial number of officers on the street. He echoed Ms. Holser's concern that selling in a down market might not be a good idea.

Mr. Ruiz said he was supportive of adding officers. He wanted to point out that they City was not through the economic downturn. He was not ready to add anything to the budget at this point.

Mr. Barofsky thought one way to look at this would be to sell the property and place \$900,000 for the capital budget in it and then dedicate the first \$900,000 of the marginal beginning working capital to public safety.

In response to a question from Ms. Syrett, Budget Manager Kitty Murdoch stated that the financial management goals and policies were approved by the City Council, after being recommended by the Budget Committee. She added that the reason capital was chosen for using the marginal beginning working capital was because it was a one-time expense; it was easier to take money out of it for things than it would be for an ongoing cost.

Ms. Syrett asked how Mr. Clark had arrived at the amount. Mr. Clark replied that it was his understanding from staff that it would cost \$500,000 for the officers and the rest of it would pay for equipment.

Ms. Syrett shared the concern expressed about providing one-time funding for an ongoing expense. She thought, given that it was not known how much selling properties would bring in, the motion could be stipulated to say that only as many officers as were affordable would be funded. She asked what power the Budget Committee had to pass motions that would affect the Supplemental Budget. Ms. Murdoch replied that the committee could make any recommendation; the council would make the decision.

Ms. Taylor commented that it was not a good time to sell property. She thought the City had a lot of urgent needs. She favored selling off excess property when there was improvement in the market, but thought they should then discuss what things the money should be used for. She pointed out that there was an urgent need for maintenance on the City Hall buildings and also on the roads.

Mr. Clark pointed to the goals on the wall, which placed a safe community at the top of the list. He stated that it was also part of the strategic plan to add five officers per year and it was a component of the downtown public safety discussions. He said the argument made against the Downtown Public Safety Zone repeatedly had been that what the City should have, in its place, was more officers in the downtown area. He agreed with this. He likened the discussion to arguing about stocking up on garden hoses when the house was on fire. He related that there were two bike patrol officers that did the work downtown and they had shared with him that there had been a lot of "pre-gang activity" and drug activity in the downtown core and, in particular, in front of the library. He said one man had been arrested for intimidating a developmentally disabled man into signing his Supplemental Security Income (SSI) checks over to him. He said the level of activity had become "crazy." He noted that the jail played a big part in this, adding that everyone knew the results of the previous night's Lane County budget session in which the County Budget Committee had decided not to fund 83 jail beds by a 6:4 vote.

Mr. Clark said the properties that the City could sell were surplus and were not designated for another use. He reiterated that if the City sold \$10 million it would receive \$100,000 in property tax revenue because the land would then be privately owned.

Mr. Pryor considered it to be an intriguing and creative idea. He was concerned about the timing given that the budget had to be "locked down" by July 1; it would take some amount of time to identify, sell, and realize the revenue from properties. He said at any point if the source of funding became viable, they could create a Supplemental Budget process to add it.

Mr. Zelenka felt that adding a third option for the City Manager to identify another source of funding was in violation of the motion the Budget Committee passed on May 18, which directed the committee members to identify the source of funding. He took issue with hiring permanent staff with “speculative money.”

In response to a question from Mr. Zelenka, Police Chief Pete Kerns stated that the Eugene Police Department (EPD) was running a hiring process all of the time at present. He related that the EPD had 13 vacancies presently, but this could come down to 11 vacancies if the University of Oregon only hired two in the next year. He did not believe it would be feasible to fill all of the positions that were open before the end of the year.

Mr. Zelenka thought it was a good idea, but he was not certain they should vote on it at present given that they did not have the property list. He thought they should ask the City Manager to look into it.

Ms. Holser asked if it would be possible to give some direction to the City Manager to look at the real estate that was in excess and then determine how many officers could be hired.

Ms. Davidson said she would be hesitant to support the motion without a sustainable long-term funding source. She believed they did need more officers, but she wondered if more training money could be added. She averred that Eugene was a unique environment and it seemed to her that a general statewide training was not adequate to support EPD officers.

Mr. Clark did not believe that the motion did violate the motion passed on May 18 as it included two funding sources. He felt that the Budget Committee set the City’s priorities in the budget form; it said that doing something was important and directed how the budget document would be altered or not to reflect those priorities. He reiterated that having the appropriate number of officers on the street to do the job was a high priority and the City was falling down on the job of doing it. He said if the motion would not pass, he would accept the idea of scheduling a future council work session to discuss the excess properties.

Mr. Potwora believed it was a degree of will. He said no one would refute the need for more officers, but he felt that if there was a will to do so, they would find the funding sources.

Mr. Brown underscored that the plan would not work if the City did not sell the property, the values of which were as yet unknown. He said this motion was a start and the City had to start somewhere. He stated that the intent behind the motion was to see if the Budget Committee agreed that it was an idea to pursue. He thought it could be appropriate to push the idea to a council work session.

Mr. Barofsky noted that Chief Kerns had indicated that the best place for money would be in jail beds. He could envision a motion in which the Budget Committee directed the City Manager to look into liquidating city properties that were identified as excess for the use in a public safety trust fund, the use of which would be determined by the Budget Committee either in a Supplemental Budget or the budget process in the next year.

Mr. Clark said he would consider accepting Mr. Barofsky’s suggestion as a friendly amendment without the language regarding a public safety trust fund; he wanted his motion to remain focused on hiring more officers.

Mr. Barofsky offered a friendly amendment to direct the City Manager and staff to investigate the possibility of sales of surplus properties that had not been identified for other uses by the City; and to use the proceeds of that money to fund officer positions; and to

bring this forward either as a Supplemental Budget, in the next year's budget process, or in as timely manner as possible. The maker and the second accepted the friendly amendment.

Mr. Poling appreciated that Mr. Brown and Mr. Clark had come up with this motion, which he considered to be creative. He said public safety was his number one priority.

Mr. Zelenka asked to add into the analysis the possibility of creating a sinking fund dedicated to public safety. He did not think it needed to be added to the motion.

The motion, as amended, passed, 13:1; Ms. Taylor voting in opposition.

Mr. Barofsky asked Mr. Zelenka to offer his motion which would move to use Facility Reserve money to fund five additional officers, to increase Human Services Commission funding by \$166,000, and to increase jail bed funding by \$1.6 million.

Mr. Zelenka said he might not choose to put the motion on the table, based on the County Budget Committee's actions of the previous night. He noted that they had considered a motion to open 83 jail beds at a cost of \$3.2 million.

Mr. Clark reported that the County Administrator, Jeff Spartz, had put the motion forward as part of the use of the \$20 million in Save Rural Schools (SRS) funding from the federal government.

Mr. Zelenka asked how this would relate to the request made by Commissioners Peter Sorenson and Rob Handy that the City pay for half of it.

Mr. Barofsky had watched the proceedings. He reported that the motion failed; it had been brought up again to fund it at the full \$3.2 million and that motion had failed. He said there had then been a motion to fund it at 50 percent starting January 1 at \$1.6 million and that motion had failed.

Mr. Zelenka did not want to make his motion because of the County's actions. He believed that the need for five more police officers might be handled by the motion made by Mr. Clark and that Ms. Syrett intended to place a motion on the table that would address his concerns about the Human Services Commission need for more funding.

Mr. Barofsky asked Ms. Syrett to place her motion on the table.

Ms. Syrett, seconded by Mr. Barofsky, moved to add \$150,000 to the City of Eugene's Human Services Commission contribution for FY10, to be taken out of the Marginal Beginning Working Capital.

Ms. Syrett stated that she had made the motion given the current situation, in which so many people were faced with economic crises. She said her motion would help the Human Services Commission closer to whole. She stressed that she understood that the base contribution had already been increased, but wanted to increase it further. The human service providers were facing unprecedented need. She pointed out that the service providers themselves were not paid very much. She believed that the benefit to the community outweighed the cost to the City.

Mr. Barofsky observed that the City Manager would have to prioritize costs in the coming year. He believed that the motion represented a "sort of a prioritization." He felt that giving money to the human service providers would do better for the community than topping off the capital budget would.

Ms. Holser averred that the money would combine with the allocations from Springfield and the County and this would stretch it further. She believed that if they did not support the motion, they would be shirking their duty.

Mr. Poling stated that, over the years, a substantial amount of his council stipend had gone to the human service organizations. He said he and his wife did a lot of volunteer work of “one sort or another.” He related that 96 people had testified before the County Budget Committee the previous night, with 10 to 12 testifying on behalf of the Human Services Commission. He said a majority of those people linked human services with public safety. He reiterated that public safety was his top priority and indicated he would support the motion.

Mr. Potwora declared that \$150,000 was “13-100ths of a percent” of the general main sub-fund. He called it absurd that they were considering something this important and basing it in money that might not be available. He asserted that basing it on money that they “hoped would happen” did not show a lot of will; it was the “chicken way out.”

Mr. Pryor appreciated that it was the City Manager’s job to push back on budget issues. He believed it became the obligation of politicians to determine the value-set they would pursue. He said will was measured in votes. He indicated he would support the motion because of its relation to public safety and to help people in need by helping to increase the capacity to help.

Ms. Ortiz was proud of the committee for recognizing the needs of the community, which was in crisis, and for doing the best it could to help people.

Mr. Ruiz acknowledged that the need was great. He was concerned about taking the money from the Marginal Beginning Working Capital and suggested taking it from contingency funds.

Ms. Syrett, seconded by Mr. Barofsky, amended her motion to reflect the City Manager’s suggestion.

Ms. Taylor wanted to clarify that Ms. Syrett’s motion was in addition to money already being given to the Human Services Commission and asked the City Manager to elaborate. Ms. Murdoch clarified that the City was contributing \$1.3 million and some stimulus money. Mr. Ruiz noted that counting the Community Development Block Grant (CDBG) funds, the City was giving \$2 million to human services and the stimulus money included an additional \$500,000 to \$600,000 for the homelessness program.

Ms. Murdoch reminded the committee that one piece of the Marginal Beginning Working Capital was the spending side. Ms. Raile explained that if the City under-spent in a given year, this money was usually committed to a contract, earmarked, or encumbered. She predicted that there would be very little under-spending in the coming year that would not be encumbered.

Mr. Zelenka complimented Ms. Syrett on the specificity of her motion. He said he understood from the police that human services and public safety issues were linked. He declared that the more they could do with human services, the more prevention it would provide. He underscored that the need was greater in the present than the norm.

Mr. Barofsky thought that having it come out of the contingency fund was prudent, because the beginning working capital could potentially be completely encumbered and was not a dependable way to fund the intent of the motion.

Mr. Poling said he had put out a draft motion that was intended to help finance Ms. Syrett's motion. He decided to withdraw it, adding that it was something they should look at in the coming year. He recalled his years in law enforcement and related that he had been glad that there were organizations in the community like Womenspace and other assistance programs.

The motion passed, 12:1:1; Ms. Taylor voting in opposition and Ms. Davidson abstaining.

## **BREAK**

The Budget Committee recessed for ten minutes, reconvening at 7:07 p.m. Ms. Taylor left the meeting

## **II. FINAL ACTION ON THE FY10 CITY OF EUGENE AND URBAN RENEWAL AGENCY BUDGET RECOMMENDATIONS TO THE CITY COUNCIL (Continued)**

Mr. Barofsky asked Mr. Zelenka to place his motion on the table for a funding swap with the County.

Mr. Zelenka explained that his original intent would take the money designated for potholes to use for the swap. He wanted to change this so that if the garbage hauler fee was passed, the \$1 million for potholes would not be used. He said this would provide the money to the County for more public safety.

Mr. Zelenka, seconded by Ms. Syrett, moved to authorize a swap of Lane County's Road Fund money for a \$1 million transfer from the Facility Reserve to the City of Eugene Road Fund, contingent on the passage of the garbage hauler fee.

Mr. Clark asked what the County would use the money for. Mr. Zelenka responded that the City would require the County to use it for public safety.

Mr. Clark said normally he would be in favor of the idea, but after witnessing the County budget proceedings he would have difficulty trusting the Board of Commissioners to do the right thing with the money.

Mr. Ruiz stated that he and Mr. Spartz had signed an agreement in the previous year and the County was still implementing that agreement as it was specified, for public safety and public safety related things.

Mr. Clark understood this and agreed with the goals of it. He said the Board had changed and the composition of the Board was such that he would need a great deal more information and a great deal more assurance about what they would use that money for before he would want to make this deal. His experience, after watching the previous night's deliberations, would lead him to believe that they might spend the money in unwise ways and ways that he would disagree with.

Mr. Zelenka asked what the agreement from the previous year had said. Mr. Ruiz could not recall the specific dollar amounts that the agreement had indicated, but in general it had gone for jail beds, the Buckley House, the Phoenix program, and other public safety items.

Mr. Clark asked how many jail beds the motion on the table would pay for. Mr. Ruiz did not know the answer at this point.

Mr. Clark questioned whether it would affect the County Commissioners' desire for the City to sign over its Municipal Court beds.

Ms. Ortiz ascertained from Mr. Zelenka that the swap was contingent on the garbage hauler fee.

Ms. Ortiz surmised that the money the City would be “taking a hit for” for would be swapped to the County, so it could put the money into its General Fund, but Eugene would be the one with the bad press from it. She said she was chiefly concerned with the voters’ ire over the fee; she wanted the City to spend the money on what the City had intended it for, if the fee was going to be instituted.

Mr. Ruiz said the reason the motion made it contingent on the garbage hauler fee was that if the fee did not pass at the council, his recommendation would be to take the \$1 million allocated for pothole repair and use it for road operations and maintenance. He believed, regarding the swap, that the services it would pay for would be the same.

Ms. Ortiz was not certain how she would vote on the motion.

Mr. Poling agreed “100 percent” with Mr. Clark. He said after watching the County’s budget proceedings the previous evening he also had a lack of confidence that the County Commissioners would use the City’s money wisely and correctly, even though Mr. Ruiz and Mr. Spartz had worked out an agreement.

Ms. Holser commented that she would hate to see the issue become contentious between the City and the County. She thought the fact that they did not vote for the increase in jail beds would mean that they would use the swap for something other than what the City intended it for. She suggested that they could put a *caveat* in the agreement that would require the County to say it agreed to use the funding for public safety.

In response to a question from Mr. Potwora, Mr. Clark explained that Senator Ron Wyden had written a letter to the County Commissioners emphasizing to them that the SRS funding had only been renewed because the dire state of public safety in this area, which had been likened to a state of emergency. He stressed that the Commissioners had promised the federal government that it would spend the SRS money predominantly on public safety. He said the County had decided to go back on their word and for this reason he did not feel it wise to trust them. He reiterated that he had a great degree of skepticism.

Mr. Barofsky shared Mr. Clark’s concern. He thought one way to structure the motion would be to specify that the money should go to “new and enhanced” public safety programs.

Mr. Clark, seconded by Mr. Poling, moved to substitute a motion to provide the exact same amount of money in a swap for one purpose: for jail beds to be opened, contingent on the County Board of Commissioners matching the swap with \$2.28 million for a total of \$3.28 million necessary for opening the 84 jail beds.

Mr. Clark related what had happened in the budget proceedings – an initial motion to defund the 84 beds proposed in the County Administrator’s budget had been made and passed in the first few minutes. He believed that the motion he offered would give them a new opportunity to open those beds immediately, and to do so for almost the amount of money that they were willing to do it for. He did not feel it was the City’s job to run jail beds at the County; it was their duty and they received money from the federal government to do so. He averred that they had not shown the leadership to do so and if the City needed to “prime the pump,” it should.

Mr. Zelenka asked if that meant that Mr. Clark would be willing to support the garbage hauler fee. Mr. Clark replied that he doubted he could do so.

Mr. Zelenka was reluctant to go down the path that the substitute motion set forth. He was trying to come up with a “replacement deal” for the one that had been negotiated for the previous year. He trusted that the County would not do a “bait and switch.”

Ms. Holser said the Eugene citizens would use the jail beds. Because of this, she believed it was in the City’s best interest to ensure that the beds were available.

Mr. Pryor was intrigued, but he was concerned that making it contingent on the garbage hauler fee placed the funding in limbo. He was inclined to like Mr. Clark’s motion. He recalled the visit from the Commissioners at an earlier Budget Committee meeting; he felt the substitute motion was not very far off from the very deal they came and offered the City. He thought this could be a way to get part way to something they had already offered the City. He said he would like to nail the money to a specific use.

Mr. Barofsky shared his disappointment in the County’s budget proceedings. He said a lot of people spoke to the Commissioners, who had also heard from the elected representatives in Washington, D.C. Much public testimony had been provided. He stressed that they knew that public safety was one of the City’s priorities and the Chief had expressed that one of the best ways to help his system would be to increase jail beds. He called the substitute motion “one more arrow in the quiver” to try to convince the County Commissioners of the necessity to open those jail beds. He felt that if they came to the City after this proposal and said they did not have the money, the “ice they were standing on [would get] thinner and thinner.” He planned to support the motion.

Mr. Poling asked Mr. Clark if the substitute motion was contingent on the garbage hauler fee. Mr. Clark replied that he would be happy to accept a friendly amendment to remove the contingency.

Mr. Poling offered a friendly amendment to delete the contingency on the garbage hauler fee from the motion. The maker accepted the amendment. Mr. Poling had been the second.

Mr. Poling predicted that even if the garbage hauler tax passed it would go to the voters and be repealed.

Mr. Smith thought the process regarding the swap was good. He asked the City Manager to give his best opinion about the direction he should proceed in.

Mr. Ruiz was comfortable that he could work something out with Mr. Spartz. He was concerned about not including the contingency for the garbage hauler fee. He said the \$1 million was the backup plan for the Road Fund and if the City swapped the money away he did not know where they would get the money from. He wanted to make sure the City took care of its own financial obligations before it took care of the County’s obligations.

Mr. Barofsky was convinced by this to change his vote to one in opposition of the motion.

Mr. Clark reconsidered the friendly amendment at this time.

Mr. Potwora was also not comfortable with the elimination of the contingency.

Mr. Clark did not understand why this would be a problem because the money would come back from the County’s Road Fund as a result of the swap. He stressed that all they were doing was taking unencumbered funds and swapping the money for encumbered funds from the County that could only be used for roads.

This clarified the swap for Mr. Ruiz.

Mr. Clark reaccepted the friendly amendment to eliminate the contingency on the garbage hauler fee from the substitute motion.

Mr. Clark said “at the end of the day” he did not think it was the City’s responsibility to pay for jail beds; it was clearly a County responsibility. He reiterated his analogy – “the house was on fire” and they should not be arguing about garden hoses, the fire should just be extinguished.

Mr. Zelenka asked the City Manager if he was reasonably certain the swap could take place without the passage of the garbage hauler fee. Mr. Ruiz indicated that he was certain.

The substitute motion, as amended, passed unanimously, 13:0.

Mr. Barofsky asked Mr. Poling to place his motion on the table.

Mr. Poling, seconded by Ms. Solomon, moved to remove the \$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 to not increase fees for animal licenses; the first \$100,000 beyond the \$257,000 in Eugene dog license revenues to be used for low income and pit bull spay and neuter vouchers, education of Eugene citizenry about responsible pet ownership and outreach and access for Eugene citizenry regarding pet retention, education, and consultation. Lane County will make semi-annual reports to the City of Eugene about how the additional dog license revenue above the \$257,000 has been spent.

Mr. Poling felt that animal advocate Scott Bartlett had done a good job of presenting on this issue. He said this was not new money; it was money in excess from license fee revenue and would be an incentive to educate the area residents on the reasons for licensing. He underscored that more spayed and neutered animals would mean less strays and less animals facing euthanasia.

Mr. Barofsky ascertained from Mr. Poling that his intent was to raise the cap to \$357,000.

Mr. Pryor liked the idea; he underscored that the motion only dealt with revenue beyond the \$257,000 cap and would hold the City harmless.

Ms. Syrett took issue with the specificity to pit bulls in the motion. Mr. Poling assured her that the motion was for vouchers for animals in low-income families as well.

Mr. Clark understood that 60 percent of the dogs were not licensed. He believed this would be an incentive to get more dogs licensed.

Ms. Holser averred that animal control was a health and safety issue for everyone. She said it was very important that animal services were well-funded.

In response to a question from Mr. Zelenka, Ms. Raile stated that based on the canvassing efforts of the Lane County Animal Services (LCAS), the licensing revenue for Eugene would probably be around \$230,000 for the fiscal year.

The motion passed unanimously, 13:0.

Ms. Ortiz, seconded by Mr. Clark, moved to have the City Manager incorporate the Ambulance Transport Fund moved into the General Fund budget in FY11 budget.

Ms. Ortiz stated that she and Mr. Clark were serving on a subcommittee of the Joint Elected Officials (JEO) that was looking globally at the issues around ambulance transport. She said currently it was funded through an enterprise fund and received no General Fund dollars. She explained that Medicare payments for ambulance transport had declined and the community was becoming less insured because of current economic conditions. She related that on top of this, ambulances were sometimes called when they were not really needed. She said the Lane County Commissioners assigned areas to the ambulance transport services. She wanted to make sure the services remained in place for the community.

Mr. Clark stressed that the service was facing ever-increasing costs while simultaneously experiencing decreasing revenue. He noted that the councilors had sat through a JEO meeting earlier in the year where the idea had been brought up that the community should perhaps change its expectations for how long it should take an ambulance to arrive. He did not agree with this at all. He believed ambulance service to be a core service and, because of this, it made it a good candidate for being considered in the General Fund. He underscored that there were many components of the ambulance fund that were not related to the service, such as administrative functions and the salary of the Chief. He felt that those services definitely fell under the auspice of the General Fund.

Mr. Ruiz asked if the motion was to completely fund the \$7 million ambulance fund with General Fund money or was it to fund the gap not covered by Medicare. He also wondered if the JEO committee would be coming up with other recommendations and whether this motion would preclude something the committee would bring to the table. Ms. Ortiz responded that she understood that the fund the Medicare dollars went into paid for a lot of things in addition to the cost of the ambulance and the medics.

Fire Captain Randy Groves explained that no monies currently came from the General Fund for ambulance services. At present, he said, they were trying to raise rates as a stop gap measure while the task force completed its work.

Ms. Ortiz was not certain what would come out of the task force. Her goal was to keep services at the same level.

Mr. Clark suggested that he offer an amendment to the motion that would direct the City Manager to study the components that were non-transport related that were currently covered in the enterprise fund and come back to the council with a Supplemental Budget that would cover those things in the General Fund.

Chief Groves stated that there were a number of components such as the Emergency Medical Services (EMS) first response that was provided by the fire suppression crews and the equipment on the engines and ladder trucks that was part of the first response that were covered by the Ambulance Transport Fund. As another example, he cited the component of the Full Time Equivalent (FTE) employees on ambulances that was used on fire and rescue calls, conservatively estimated at approximately 5 percent of the work. He said in doing the analysis on staff, he had come up with a total cost of \$1 million that was not directly related to ambulance transport.

Mr. Ruiz asked if the \$1 million would include the Central Services Allocation (CSA) and management support. Chief Groves replied that the CSA had been left in the Ambulance Transport Fund because it was apportioned by the FTE account in the annual transport fund and was strictly used for ambulance transport. He said the portion proposed to be paid by the General Fund would include equipment and administration costs such as the six line district chiefs – two on each 24-hour shift, one-third of which were

funded by the Ambulance Transport Fund though ambulance services were a small part of what they oversaw. He noted that 12 percent of the work force pertained to ambulance services.

Ms. Ortiz stressed that it was a priority for her that the service remain intact and whole and that, regardless of the Medicare funding, the City should provide the same level of service to the community.

Mr. Ruiz asked if it would be helpful to bring this to the council for a more indepth discussion. Ms. Ortiz affirmed that it would. She wanted to hear from the community.

Ms. Solomon asked if all of the entities involved in ambulance services were making this request. Ms. Ortiz replied that they were. Mr. Clark added that there were other questions that the committee was working on such as whether the service should go all the way to Walton or not and what could be done about that.

Ms. Solomon asked if there had been discussion of forming a special district that could incorporate ambulance services and fire protection. She noted that her family paid her Fire Med dues. She asked if the low cost of Fire Med dues was contributing to the high ambulance rates. Chief Groves responded that the base rate for ambulance transport was \$1150 and \$15.50 per mile. He noted that Springfield had just raised its rates to \$1500 for a base rate and \$20 per mile, and \$1800 base rate if a person lived outside the County. He said the committee was charged with looking at short-term, medium-term, and long-term solutions and one long-term solution they were looking at was an ambulance tax district. He said West Lane County had a 25 cent per \$1000 tax base to support their ambulance system. He stated that the component in the tax base was the third leg of a stool, with a reasonable fee for service and the Fire Med subscription being the other two parts of it.

Chief Groves explained that when a person joined Fire Med, the insurance company was still billed but there was no out of pocket expense to the patient. He stated that Medicare and Medicaid were capitated payments; EMS was only able to collect 40 percent or less of what the bill would actually be. He said Lane Rural always had a certain level of General Fund support because it could not make ends meet otherwise. He said the City of Springfield had also started to use some General Fund dollars to make up the difference. He stated that the ambulance transport services projected more than a \$400,000 deficit for FY10 that the department was trying to cover with the rate increase. He observed, anecdotally, that one of the first things people let go of in times of economic decline was their health insurance.

Mr. Zelenka thought this could just “make the problem [with the deficit] worse.” He ascertained that the motion was just to have the issue studied. He wanted to ensure that the analysis extended into the out years and what impact to the General Fund adding the ambulance transport deficit in would create.

Ms. Davidson left the meeting.

Ms. Ortiz said looking at things globally and countywide was part of the JEO process. She remarked that, given the decisions that the County Commissioners were making currently, she would be uncomfortable proceeding with any joint efforts in this regard.

Mr. Clark stressed that the fundamental question was whether the ambulance transport was a core service. He said if it was a core service, they needed to find out what it would take to ensure that it remained at the current level. He believed that, because it was a core service, it needed to be covered by the General Fund to make sure the community did not suffer from a lack of service based on a lack of funding.

Mr. Barofsky said, while he liked the conversation, he had some trouble thinking of this only in terms of the General Fund. He noted that Chief Groves had spoken of the equipment involved and suggested that this could potentially be funded from the Fleet Fund or the Telecom Fund.

Mr. Ruiz observed that the motion directed to look at possible funding solutions; staff would take this as direction to look at more than just the General Fund.

Ms. Holser concurred with Mr. Clark's belief that ambulance transport was a part of public safety.

Mr. Smith asked why ambulance transport was so expensive. Chief Groves replied that it was mainly because the majority of patients transported could not pay for it. He explained that the expenses included the FTE employees, equipment, and training.

Mr. Smith asked if it really cost that much. Chief Groves assured him that it really did. He agreed that it was expensive.

Ms. Solomon ascertained from Chief Groves that people who lived within the Urban Growth Boundary (UGB) paid the same fee as those who lived within the City limit.

The motion passed unanimously, 12:0.

Mr. Barofsky asked Mr. Zelenka to place the next motion on the table.

Mr. Zelenka, seconded by Mr. Clark, moved to send a letter to the County supporting the implementation of a countywide vehicle registration fee by Lane County to provide funding for street operations and maintenance.

Mr. Zelenka explained that this motion had arisen from the recommendation made by the Council Committee on Transportation Funding.

Mr. Poling supported the motion. He noted that Ms. Taylor had been a longtime advocate for this. He hoped that the other outlying communities were watching this because the County Commissioners had indicated that they were not interested in pursuing this unless other cities were interested in it. He said all of the cities in Lane County needed road funds. He asserted that they should "call them on their bluff."

Mr. Pryor pointed out that the Commissioners had said they would think about it if all of the cities had asked for this. He said the mayors and city managers of all of the cities in Lane County had done so and the Commissioners had not responded.

Mr. Barofsky offered a friendly amendment to direct the City Manager to contact the other cities to see how many co-signatures they could get on the letter.

Mr. Barofsky thought this should come from the Budget Committee.

Mr. Zelenka commented that he liked the idea, but it would take six months to gather all of the signatures and it had already been done once.

Mr. Barofsky withdrew his friendly amendment.

Ms. Holser said she would happily support the motion.

Mr. Zelenka noted that the airport rental car fee was also prohibited for the same reason. He thought a vehicle registration fee would also allow the City to tap into this.

Mr. Poling related that he had been at an event at which someone from the Department of Motor Vehicles was giving a presentation. He said the State of Oregon had the third lowest vehicle registration fee in the nation; if the fee was doubled, according to the presenter he had seen, it would place Oregon at the fifth from the bottom. He did not believe a minor increase would be a big problem and it would directly address the issues of wear on the roads caused by vehicles.

Mr. Barofsky had heard from Intergovernmental Affairs Manager, Brenda Wilson, that there was some legislation to address this. He thought such a move might have to go to the vote, and any fee sent to the voters was a tough sell.

Ms. Solomon had also heard there was legislation pending. She asked if it would include preemption preventing counties from adding more to a statewide vehicle fee increase. No one knew the answer to this and she decided that it was not germane to the current motion.

Mr. Brown wondered if the City could annex the airport. Ms. Solomon explained that the City would have to annex all of the land in between.

The motion passed unanimously, 12:0.

Mr. Barofsky asked Mr. Potwora to place his motion on the table. Mr. Potwora indicated that he had decided not to do so. He understood that the public process to determine the community's priorities would help the City face its tough budget questions in 2011 and 2012.

Mr. Barofsky asked Mr. Brown to place his motion on the table.

Mr. Brown stated that the intent of his motion was to stimulate the thinking of the people around the table of the very best use for the remaining \$22 million in the Facilities Reserve. He wanted to determine how to best address the problems of the condition of the buildings, how a new police patrol facility could be built or purchased, how to make existing facilities safe for employees, how to help the administration buildings either be updated or replaced, and so on. He did not believe, as a practical matter, that these things could be solved in a half an hour. He commented that they could have discussed it the previous week, but the Commissioners had taken a lot of the Budget Committee's time.

Mr. Brown, seconded by Mr. Barofsky, moved 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, inviting the citizen members of the Budget Committee to the discussions regarding the police facility and City Hall.

Mr. Brown averred that the idea was to garner citizen input and he believed that the citizens at the table had a great deal of experience.

City Manager Ruiz clarified that the intent of the motion is to include the citizen members of the budget committee in the public process envisioned by the City Council on the Police Facility and City Hall. Mr. Brown responded that the citizen members had a lot of expertise that would be beneficial to capture in the discussion.

Ms. Holser expressed appreciation for all of the work of the City Councilors. She believed there was still a need for citizen members to take a further look at the expenditure of this money. She supported the revised motion.

While he agreed completely, Mr. Clark had some reservations about formalizing the process of having it filter through the Budget Committee. He thought it could bind the council.

Mr. Clark offered a friendly amendment to add that as a part of the public process and the process of gathering public opinion on the disposition of these funds that they had already directed the City Manager to engage in, it should incorporate the Budget Committee specifically in the process.

Mr. Brown wanted the motion to go forward as he had presented it.

Mr. Clark asked the City Manager how he would interpret the motion; was there anything that appeared to create a time constraint or that would change the decision-making process. Mr. Ruiz replied that he did not think so. He interpreted the motion to place the Budget Committee in the process to ensure that they had input in the discussion. Mr. Clark indicated he could support the motion.

Mr. Poling recalled that the council had passed a motion on February 11 that directed the City Manager to bring information to the council and until the council made the decision how to utilize the Facility Reserve the City Manager was not to use any portion of the Facility Reserve and the Budget Committee was to be directed not to use any portion of the Facility Reserve. He believed the current motion went against the motion passed by council, adding that because of how it was worded it was not likely a legally binding motion.

Mr. Poling, seconded by Mr. Clark, moved to amend the motion to read that the committee would move to direct the City Manager to work with the full Budget Committee on the disposition of the Facility Reserve by inviting the members of the Budget Committee to the discussions regarding the police facility and City Hall.

Mr. Brown noted that the City Council had to approve what the Budget Committee did.

Mr. Barofsky observed that the council wanted more information from the public on the issue. He believed that the City Manager had “tools in his box” and the Budget Committee was “one of the tools.” He thought getting information from the community could be “phase one” and then the Budget Committee could delve into it in ways that other people could not.

Mr. Zelenka said the use of the Facility Reserve was not in the budget, so passing this motion or not did not have an impact on the budget. He indicated that he intended to offer a motion at a council meeting to clarify the motion that talked about public involvement prior to the council break on August 13 so that the forum would be a council meeting. He thought it would be “great” to have the Budget Committee members invited.

Mr. Pryor considered the critical component to be the notion of advice versus consent. He did not think they were looking for the consent of the Budget Committee; everyone was talking about how to best make the advisory function go well. He looked forward to having the advice of the Budget Committee on the use of the Facility Reserve.

Mr. Pryor offered a friendly amendment to direct the City Manager to incorporate the Budget Committee's advice on the disposition of the Facility Reserve by inviting citizen members...

Mr. Poling and Mr. Clark accepted the friendly amendment.

Mr. Pryor wanted to be explicit about asking for the Budget Committee's advice. He stressed that the Budget Committee was the fiduciary body for the City and this should be acknowledged. He underscored that the Budget Committee was more informed than the average individual about the City's budget. . City Manager Ruiz requested clarification about involving the full budget committee. Did the motion mean the full committee or just the citizen members? He hoped to keep the Council from having to attend multiple meetings.

Ms. Syrett was more supportive of Mr. Brown's original motion than the more restrictive one. Personally, she was supportive of using the Facility Reserve for the purpose it was originally established for, but she did not know that the conversation should be restricted only to the police facility or City Hall, unless that was the will of the council.

Mr. Brown thought the patrol facility and the City Hall were only two components of a much larger problem. He felt that the Facility Reserve was the only one that was "wide open" and had some latitude as to how it could be used. Once it is spent, it is gone.

Ms. Holser did not understand why the Facility Reserve was not in the budget discussion. Ms. Raile responded that the Facility Reserve was incorporated in the non-departmental part of the budget. She said the money was in a reserve because it was money that was to be saved; it was not in the budget to be spent at this time.

Mr. Smith appreciated that the Budget Committee members were considered to be smart people, but he felt that the smarter people were the city executives. He liked the idea that it was a flexible reserve for facilities. He ascertained from the City Manager that citizen members of the Budget Committee could contact executive staff and ask for advice, information, and recommendations.

Mr. Poling did not want to limit citizen involvement; he thought incorporating the Budget Committee would expand it. He said he had placed the more restrictive motion on the table because the Facility Reserve had dropped from \$40 million to \$22 million in four years and he wanted to maintain the integrity of the reserve fund while they were having a very fast-moving and aggressive discussion about the police facility and City Hall.

Mr. Barofsky called for a vote on the motion that was displayed on the screen. That motion said:

Move to direct the City Manager to incorporate the advice of the citizen members of the Budget Committee on the disposition of the Facility Reserve by inviting citizen members of the Budget committee to the discussions regarding the police facility and City Hall.

The motion passed unanimously, 12:0.

Mr. Barofsky called for a motion to extend.

Mr. Poling, seconded by Mr. Clark, moved to extend the meeting by ten minutes. The motion passed unanimously, 12:0.

Ms. Syrett, seconded by Ms. Solomon, moved that the Budget Committee recommend to the Eugene City Council an 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 amendments approved by the Budget Committee. The motion passed unanimously, 12:0.

Ms. Syrett, seconded by Ms. Solomon, moved that the Budget Committee recommend to the Eugene City Council, acting as the Urban Renewal Agency Board of Directors, an FY10 Budget for the Eugene Urban Renewal Agency that consists of the City Manger'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 amendments approved by the Budget Committee. The motion passed un-animously, 12:0.

Mr. Barofsky thanked the committee members and the city staff for all of the hard work. There was a round of applause.

Mr. Clark complimented the work of the chair and co-chair. There was another round of applause.

#### **ADJOURNMENT**

The meeting adjourned at 9:02 p.m.

*(Recorded by Ruth Atcherson)*