

# MINUTES

Eugene Budget Committee  
Downtown Library, Bascom-Tykeson Room  
100 West 10<sup>th</sup> Avenue—Eugene, Oregon

May 6, 2009  
5:30 p.m.

**PRESENT:** John Barofsky, Chair; Claire Syrett, Vice Chair; George Brown, Mike Clark, Andrea Ortiz, George Poling, Chris Pryor, Jennifer Solomon, Betty Taylor, Alan Zelenka, Mary Ann Holser, Terry McDonald, Joseph Potwora, Doug Smith, members; Mayor Kitty Piercy, City Manager Jon Ruiz, Assistant City Manager Sarah Medary, Kitty Murdock, Dee Ann Raile, John Huberd, Pavel Gubanikhin, Kristie Hammitt, Karen Burling, Central Services Department; Fire Chief Randy Groves; Interim Police Chief Pete Kerns; Renee Grube, Mike Magee, Library, Recreation and Cultural Services; City Attorney Glenn Klein; Brenda Wilson, Jan Bohman, City Manager's Office; Susan Muir, Mike Sullivan, Nancy Young, Scott Luell, Planning and Development Department; Kurt Corey, Eric Jones, Tammy Smith, Public Works Department; Steve Manela, Lane County; Walter Hunt, Alice Davenport, Eric Van Houten, Deb Frisch, guests.

**ABSENT:** Kate Davidson, Noah Kamrat, members.

Mr. Barofsky called the meeting of the Eugene Budget Committee to order. He announced that Mayor Kitty Piercy had asked to address the committee at the beginning of the meeting. There were no other agenda adjustments.

Ms. Piercy thanked committee members for their service to the City at a critical time. She commended the city manager's budget document as clear and direct and concurred with the budget goals. She said the budget fully recognized the growing General Fund deficit and addressed it by shrinking the organizational footprint. She said the balanced budget met its goals not through adding to local unemployment, but through attrition and reorganization. She said while the City's challenges were considerable, she did not believe it was in an emergency situation that required eliminating basic services that were important to the community, such as police and fire, roads, wastewater and stormwater, housing and shelter, cultural services, parks and libraries.

Ms. Piercy said the question was not how to deny the community services, but rather how to build the capacity to pay for the basic services the community wanted and expected. She said the council had been seeking long-term funding solutions to the road maintenance backlog; some proposals had moved forward and others had not. She said the Budget Committee did not have the time to address long-term solutions, but would need to address an immediate need for \$900,000 to preserve current services. She said a new initiative—Eugene Counts—would establish metrics to demonstrate the City's progress and performance and provide accountability to the public. The council was committed to the triple bottom line of sustainability: preserving natural resources, strengthening the economy and taking care of people. She said every decision would be made using that lens and the council would continue to work with regional partners on long-term economic plans.

## I. SOCIAL SERVICES FUNDING UPDATE

Mike Sullivan, Planning and Development Department, used a PowerPoint presentation to illustrate the history of human services funding. He detailed the City's contributions to the Human Services Commission (HSC) on an ongoing basis, periodic contributions to address various problems, allocations to purchase specific services on a one-time or ongoing basis and contributions of Community Development Block Grant (CDBG) funds to the HSC to support public services. He reviewed the City's contributions over the last ten years, which had increased by three percent per year on average.

Mr. Sullivan stated that the proposed HSC local funding for FY10 would be \$3.4 million, of which Eugene would contribute 60 percent, Lane County would contribute 34 percent and Springfield would contribute 6 percent. He indicated that the local contributions comprised 28 percent of the HSC budget, with 72 percent coming from federal, state and other revenue sources, for a total anticipated budget of \$12.8 million.

Steve Manela, Lane County Human Services Commission, thanked the City of Eugene for its support of human services over the years, which had served to stabilize the provision of social services in the community. He reviewed the budget information contained in his memorandum of May 6, 2009, to the Budget Committee, pointing out that the funding level remained unsettled due to the pending outcome of the State's budget process and anticipated federal stimulus funding from the American Recovery and Reinvestment Act (ARRA).

Mr. Manela described dramatic increases in demands for human services as a consequence of the severe economic recession at a time when private and State funding had decreased. He said the HSC was particularly concerned about the severe reduction or elimination of indigent mental health, alcohol and drug and homeless programs.

Ms. Holser asked if the federal stimulus funds were included in the HSC budget. Mr. Manela replied that those funds had not yet been budgeted; when they were budgeted they would be used to target certain activities as specified by the Department of Housing and Urban Development (HUD) or other federal directives.

Ms. Syrett pointed out that the 2,600 individuals identified in the one-night homeless count were people who were on the street or in shelters with no place else to stay; the count did not include those who were staying with friends or family. She asked when State budget decisions were likely to be made. Mr. Manela said decisions were being delayed until the May economic forecast was available. He expected to have information in late May or early June and ARRA funds could be used to fill holes in the budget.

Ms. Syrett hoped that the HSC was considering a backup plan to assure that critical services such as Buckley House were not lost.

City Manager Jon Ruiz noted that the City's proposed budget included \$350,000 in swap funds from last year for Buckley House, in addition to the annual HSC contribution and federal stimulus funds. He asked how the swap funds would be used if Willamette Family Treatment Center and Buckley House closed. Mr. Manela said he was not certain how services would be prioritized in the event that State funds were reduced, but there could be a scenario in which indigent outpatient services would cease and Buckley House would continue to operate.

Mr. Ruiz asked if the County's budget included an allocation for Buckley House. Mr. Manela replied that in the past the County had provided \$350,000 in General Fund contribution; that had been replaced by the swap funds.

Mr. Clark asked for an explanation of how the annual homeless count was conducted and whether information on how long someone had been in the community was collected. Mr. Manela said there was a specific survey instrument and organized outreach similar to the federal census. He said the survey collected demographic data and he would provide that information. He was not certain if length of residency was included in the data.

In response to a question from Mr. Potwora, Mr. Sullivan said the baseline allocation for human services had increased by two percent; however, one-time and periodic contributions had decreased.

Mr. Potwora asked if the decrease in funding equated to loss of specific services. Mr. Sullivan said it was difficult to relate the one-time contribution to offset inflation to specific services; many agencies indicated they would be restructuring the mix of services and some gaps had been filled by the County.

Mr. Potwora said he supported maintaining the City's HSC contributions.

Mr. Barofsky commented that the Budget Committee was committed to the Buckley House. He asked how the Community Service Block Grant (CSBG) funds differed from CDBG funds. Mr. Manela said HSC received a regular allocation of CSBG funds as the anti-poverty agency for the County; other funds were available for a one-year period through the economic stimulus package. He said using those funds to sustain services also meant retaining employment, which was one of the goals for use of stimulus funds. He said some funds could be allocated to Buckley House as part of a backup plan.

In response to a question from Mr. McDonald, Mr. Manela said the methodology for the homeless count had been enhanced to include a street count, not just those who were in shelters or had been turned away.

Mr. McDonald observed that data from shelters had typically indicated that 75 to 80 percent of those seeking assistance were from the local population and many of the others were people returning to the area from military service. Mr. Manela said human service agencies were reporting that they were working with a new population of people who had never asked for social services, but were forced to do so by economic conditions. He said many of those were families with children.

Ms. Ortiz commented that there had been an increase in homeless youth because parents had been forced by financial problems to leave the area and their children chose to stay because they wanted to finish school. She had also seen an increase in people seeking indigent care and emphasized that PeaceHealth was committed to providing health care and medication to those who could not afford to pay, although that was becoming challenging as the number of uninsured people increased.

Mr. Pryor reinforced the fact that demand for service had increased dramatically due to an influx into the human services system of people who had not traditionally needed assistance. He said as people became less able to support themselves they turned to social services for food, medical care and shelter at the same time that the ability of jurisdictions to provide that support became more challenging. He said statistics from counts two or three years ago indicated that between 90 and 95 percent of people seeking services had been in the community at least six months. He doubted that figure had changed significantly and thought it could have increased as more residents suffered economic hardship.

Mr. Zelenka remarked that one of the artifacts of the human services structure was that services were provided through nonprofit agencies, not government programs as was common in other jurisdictions. He said that meant that allocation of funds to agencies was regarded as paying for services and the people who did the work were not considered extensions of the City or County's staff. The fact that those employees

received low pay and did not get cost-of-living adjustments was one of the tragedies of the current human services system.

Mr. Potwora asked if there was a contingency plan in the event there was a substantial cut in State funding. Mr. Manela said the HSC and county commissioners had discussed that once the State's budget was finalized the County and Eugene and Springfield would need to decide how to proceed. Mr. Ruiz indicated that the City Council had the authority to reallocate funds whenever necessary.

Mr. Clark reiterated his request for any data that was available to help him respond to questions about the length of time people who were seeking assistance had been in the community.

## **II. STIMULUS GRANTS UPDATE**

Intergovernmental Relations Manager Brenda Wilson distributed copies of the *American Recovery and Reinvestment Act of 2009 City Funding Book, version 9*, prepared by the League of Oregon Cities. She said Eugene had already received ARRA formula funds and an internal team was exploring other funding opportunities under the legislation, including competitive grants.

Mr. Barofsky asked if any of the stimulus funds had been allocated to the small business development loan program. Ms. Wilson said she was not aware of a specific allocation, but stimulus funds also went to the State, which had discretion over their use. She would research whether any funding had been made available for business development programs.

Mr. Barofsky commented that business development programs promoted the creation of jobs and were an existing structure to effectively use stimulus and local funds to benefit the economy. Ms. Wilson agreed and said the ARRA emphasized funding programs that already existed as the most expedient approach to using stimulus dollars.

Mr. McDonald asked how much of the State's stimulus funds Eugene would receive. Ms. Wilson said the governor had established a website to track formula funds. She said the formula funding Eugene received through the State was related to existing programs like CDBG and allocated using the existing formula. She said transportation enhancement funds the State received were allocated through the Oregon Transportation Commission and Eugene received over \$2 million for two projects. She said competitive grants would be more difficult to track as applications often went directly to the cognizant federal agency, not to the State. She said some funds like weatherization assistance would go to community action agencies; others went to federal agencies for discretionary distribution.

Mr. Manela said HSC had received \$2.7 million to weatherize homes.

Mr. Ruiz said the City's internal team was aggressively pursuing competitive grant funding opportunities. He said those potential funds were not included in the budget, but if applications were successful the City Council would appropriate the dollars for use.

Ms. Holser urged the City to develop a systemic plan for use of stimulus funds consistent with its goals of sustainability and stability and to assure the funds were allocated where most needed.

Mr. Potwora suggested that the City identify a point person to collect information on the use of stimulus funds and present a complete picture

The committee took a short break.

Mr. Barofsky called the Budget Committee back to order and reviewed the procedure for providing public comment.

### III. PUBLIC COMMENT

**Deb Frisch**, Eugene, remarked that it was dishonest and disingenuous to blame a national economic meltdown for the City's budget problems, which she asserted were due to chronic mismanagement and "hijacking" of the local government by special interests. She said the idea of spending \$16 million on a police facility north of the Willamette River was an example of bad real estate decision-making. She expressed her "happiness" that the Fairmount neighborhood represented 25 percent of the Budget Committee. She commented that Eugene should consider funding human services like Springfield did without collaborating with Lane County and stated her hope that all of the Budget Committee's desires would be granted.

**Walter Hunt**, a merchant in downtown Eugene, said that businesses had noticed an increase in disturbing activity in early spring, from homeless to petty crime to behavior that was detrimental to downtown. He said business owners met and developed a number of ideas that were presented to Lane Transit District (LTD), the downtown guides, Eugene Police Department (EPD) and city councilors. He had 129 letters endorsing the suggestions, which included continued funding for downtown guides and dedicated EPD officers; enforcement of downtown ordinances, particularly sidewalk rules; better lighting and signage in problem areas; providing police with better tools to target persistent offenders such as work crews in lieu of jail and no early release; and allowing Lane Transit District (LTD) security to extend its services onto the City sidewalks when it concerned the safety of bus riders.

**Alice Davenport**, Eugene, agreed that human services were vitally needed in the community, but animal services were also critical at a time when economic stress was resulting in more animals going into shelters. She said Lane County Animal Services (LCAS) had made major improvements during the past year and urged the City of Eugene to continue its cooperation and contract with LCAS.

**Eric Van Houten**, Looking Glass Youth and Family Services, spoke on behalf of the Safe and Sound youth project. He said the Human Services Network of providers met earlier in the day and heard alarming information about an increase in suicides as people experienced the stress and fear of financial problems. He said the potential loss of services increased stress levels as needs grew; in the quarter January to March there were 750 new callers to the Looking Glass crisis hotline, a figure that was more than twice the typical number of new callers. He said the Safe and Sound program had been operating for 11 years and Eugene had been an instrumental partner since its inception. He described the services provided to youth 11 to 21 years old who had fallen through the safety net of traditional youth services. He said Safe and Sound had lost valuable pieces of its funding stream during the past year, but with patchwork funding was secure for the next fiscal year. He urged the Budget Committee to continue funding for the program during the next budget cycle.

Ms. Syrett agreed with the need for animal services and was pleased to see funding for them preserved in the budget.

Mr. Clark offered to work with downtown merchants on solutions for the area.

Ms. Taylor asked if youth who were creating problems in downtown could be placed on work crews as the best punishment would be to clean up the area. Mr. Van Houten indicated that several years ago a youth crew project performed litter and graffiti clean up. He said there was a formal program with the Depart-

ment of Youth Services that was more structured and expensive; it was difficult to get into the program and lower level offenders were not eligible unless sanctioned there by the court. He supported the idea of reinstating youth work crews.

Mr. Ruiz noted that the proposed allocation for animal services reflected an increase of \$28,000.

#### **IV. FY10 TRANSPORTATION FUNDING**

Kurt Corey, Public Works Department, presented an overview of the City's FY10 transportation funding system. He said there were short-term outcomes that needed to be achieved and long-term funding solutions that had to be found. He said the immediate concern was to balance the FY10 road fund operating budget in order to sustain the existing service model. The longer-term outcome being sought was a comprehensive, sustainable, locally controlled funding structure for delivering adequate transportation services to the community that included elimination of the backlog of deferred maintenance.

Mr. Corey said there was a \$170 million backlog of capital preservation projects, but that had not grown in the past year because of funding from a five cent local option gas tax, a transportation component of system development charges, a \$36 million General Obligation bond measure, a fund exchange last year with Lane County and federal economic stimulus dollars. He referred to a news release provided to committee members that described the projects planned for the summer of 2009. According to the most recent pavement management report the backlog was expected to grow by \$100 million over the next ten years even with the current known revenue sources available to address it.

Mr. Corey said the most pressing concern was the \$900,000 shortfall in operations and maintenance. He explained that the primary source of funding for operations and maintenance was the State Highway Trust Fund, which was supported primarily by the State's gas tax; the gas tax had not been increased in 16 years. Additionally, funds the City used to receive in partnership payments from Lane County had been lost and the reduction of funds coupled with loss of purchasing power and increased construction costs resulted in an ongoing budget gap of approximately \$4 million, with \$2.8 million needed to close the gap in FY10. He described the efforts of the Council Committee on Transportation Funding Solutions to solve funding problems with a comprehensive package of five recommendations; of those recommendations a bond measure was passed in fall 2008 and the remaining four had not been implemented.

Mr. Corey said at the direction of the City Council staff had proposed in the FY10 budget a one-time fix of a five percent garbage hauler surcharge, a \$500,000 transfer from stormwater and wastewater funds and a \$1.4 million transfer from local gas tax funds. The council had approved the fund transfers, but voted against the garbage surcharge, which resulted in the \$857,000 shortfall. He said if nothing changed the shortfall next year would be \$4 million. He said options for filling the gap included implementing one or more new sources of revenue, redirecting existing revenues, cutting costs by reducing services or some combination of those options.

Mr. Barofsky conveyed the City Council's request for input from the Budget Committee on the garbage hauler surcharge.

Ms. Solomon asked if there was any possibility of legislative action that would address transportation funding. Mr. Corey replied that HB 2001, which was the transportation bill, included provisions for a four-year moratorium on local option gas taxes with current gas taxes held harmless, removal of the requirement that counties send vehicle registration fees to the ballot, and placeholders for increases in vehicle title and registration fees and the State gas tax. He said it was uncertain how much revenue would

be generated by the current version of the bill, but estimated that Eugene could receive \$2-2.5 million annually.

Ms. Solomon commented that following the council's rejection of the garbage hauler surcharge she had discussed the issue with residents who had opposed it and they had indicated a willingness to support a gas tax. She hoped that option could be explored further.

In response to a question from Ms. Syrett, Mr. Corey said the City was partnering with Lane County to work on gravel roads in order to use the County's equipment.

Ms. Syrett felt that the garbage hauler surcharge was a reasonable approach to funding street maintenance and found arguments for targeting that particular industry persuasive. She asked how much revenue would be generated annually by a five percent surcharge. Mr. Corey replied that \$900,000 would be generated at the five percent level.

Mr. McDonald commented that asphalt with a substantial amount of ground rubber in the mix was higher in cost but much more durable than other surfaces. He asked if the City had considered making the more durable surface a requirement in order to reduce maintenance needs in the future. Mr. Corey said the City was always looking for technologies and methods to reduce maintenance, maximize resources and reduce impacts on the environment, however ground rubber asphalt mix is not currently being considered due to lack of evidence of its longer durability. The City does use the warm mix asphalt technique that reduces costs and greenhouse gas emissions.

Mr. McDonald said that the City and County of Los Angeles and states of Arizona, Oklahoma and Florida all had ten years of experience with the more durable surface materials and would be willing to share information. He noted that road improvements on Elmira Street and Maple Road were partially funded by property owner assessments and asked what that amount would be. Mr. Corey replied that the assessments to property owners were estimated at \$1.2 million.

Mr. Zelenka said he had also heard from several people that the gas tax should be reconsidered. He favored the garbage hauler surcharge and was interested in the Budget Committee's opinion of it. He listed three options for funding the \$900,000 shortfall: cuts to the General Fund, cuts to the road fund or implementation of the garbage hauler surcharge.

Mr. Barofsky stated he supported the garbage hauler surcharge and was concerned about the easy fix of taking the \$1 million promised last year to fix potholes. He felt that commitment to the citizens should be honored. He believed that the garbage hauler surcharge was fair and had a direct nexus with street maintenance. He said the City could no longer delay resolving the problem of transportation funding.

Mr. Pryor remarked that the FY10 shortfall of \$900,000 had to be addressed immediately and he wanted the committee's best advice on how to balance the budget.

Mr. Poling said he had received suggestions for transportation funding that included approaching the County about a vehicle registration fee, increasing the gas tax and a transportation utility fee. He said the Intergovernmental Relations (IGR) Committee had briefly discussed HB 2001, but not yet taken a position. He urged the council to carefully read the bill before deciding whether or not to support it as there were several provisions of some concern.

Mr. Clark agreed that the City had a transportation funding problem, but did not believe a garbage hauler surcharge was the remedy, particularly in difficult economic times. He referred to a recent letter in the newspaper that compared the cost of road improvements in Springfield and Eugene, with Eugene's cost

appearing to be much higher on a per mile basis. Mr. Corey said numbers could be taken out of context and used to convey any message; the figure cited for Springfield was the estimated cost of an overlay project while the Eugene figure represented a full construction project with all street amenities and a direct comparison was therefore misleading.

Mr. Clark indicated his interest in discussing a gas tax depending on the outcome of legislative action, but he preferred to look internally at a General Fund solution. Mr. Corey said a moratorium on local option gas taxes would not affect those that were in place before the effective date of the bill.

Mr. Smith supported transferring \$1 million from the Facility Reserve to cover the \$900,000 shortfall. He felt that a majority of voters would probably support a two-cent gas tax, although that could depend on the price of gasoline at the time of the election. He had gained a new appreciation for transportation funding issues as a member of the Budget Committee and asked if staff had preferences for funding solutions. Mr. Corey replied that there had been a number of recommendations over the years and stressed that any solution should have a locally controlled, renewable and sustainable utility-based fee as the cornerstone.

Ms. Holser argued in favor of the garbage hauler surcharge. She wanted garbage and recycling services in place from a health perspective and was willing to pay for them, including a fee that was not expensive. She agreed the garbage utility used the streets extensively and advised the council to reconsider the surcharge.

Mr. Potwora stated that it appeared there had been a systemic lack of will for some time and it was time for the council to show leadership and address the FY10 budget deficit and long-term funding needs.

Ms. Ortiz commented that it seemed the council was asking the citizen members of the Budget Committee to find resources where there were none. She stated that she supported the garbage hauler surcharge and had talked to many people in the community who, while they did not like the surcharge, did expect the council to make decisions. She asked citizens what other solutions they could suggest instead of the recommendations put forward by staff and the council; none were offered. She appreciated the efforts of staff to respond to the council's changing directions. She was not certain if she had the energy to pursue a gas tax and hoped the council would reconsider the surcharge.

Mr. Zelenka remarked that the package of recommendations from the Council Committee on Transportation Funding Solutions was intended to address the backlog of projects over a lengthy period of time while maintaining the current level of service. He said over 30 funding options were examined from every possible perspective, resulting in a package that included a tax levy, a street utility fee based on parking, a gas tax increment, the garbage hauler surcharge and street lighting utility fee that would provide the necessary funding level of about \$18 million annually. He supported the package because it was fair, equitable and solved the problem and hoped the council would revisit all of those options.

Mr. Pryor said part of his hesitation was timing in the midst of one of the worst economies since the 1930's, with Oregon and Lane County being particularly hard hit. He said residents felt it was not the time to be imposing additional taxes and any revenue measure that was placed on the ballot would likely fail. He agreed it was essential to focus immediate attention on the FY10 budget and was willing to discuss the possibility of a one-year garbage hauler fee.

Mr. McDonald disliked connecting a garbage hauler fee with roads. He said there was never a good time to impose taxes, but the council could consider a short-term garbage hauler fee while a long-term funding plan was being developed. He stressed the importance of a connection between service and revenue source.

In response to a question from Ms. Solomon, Mr. Ruiz said the \$1 million allocated for pothole repair could be reallocated to operations and maintenance, thereby reducing services in the pothole repair program in FY10.

Ms. Solomon said that appeared to be the most expedient solution to the FY10 budget problem, since there did not appear to be consensus on the garbage hauler surcharge. She said the surcharge made sense because of the frequent use of residential streets, but she became concerned over the fact that haulers also paid a license fee, which made the surcharge seem like double taxation. The surcharge also did not address other large vehicles that used streets frequently.

Mr. Barofsky pointed out that the garbage companies were not being taxed; the cost would be passed through to customers. He said it was time to move forward and he intended to put a motion on the floor to recommend the garbage haulers fee for a one-year period.

Ms. Syrett observed that the surcharge would add less than \$12.00 annually to a residential customer's garbage bill. She agreed the economy was bad, but felt people would be willing to pay that amount to address the operations and maintenance funding crisis and concurred with Mr. Potwora's remarks about a crisis in leadership.

Mr. Clark said he wanted to have a discussion within the broader context of priorities and was willing to offer a substitute motion or amendment to consider General Fund cuts instead of adding a new tax. He thought the surcharge would be as quickly referred to the ballot as a gas tax and just as likely to fail, but a gas tax had better justification as a user fee because it offered consumers a choice.

Ms. Taylor commented that a vehicle registration fee was the best solution and the City should pursue that if the ban was lifted. She also supported a two-cent gas tax. She said a garbage surcharge of \$1.00 per month did make a big difference to people who were struggling financially and felt that revenue directly connected to automobiles was fairer.

Ms. Ortiz asked Mr. Barofsky to include an exemption for school districts in his proposed motion regarding the garbage hauler surcharge.

Mr. Potwora said from a citizen's perspective, regardless of the funding solution, the City had done a terrible job of educating the public about the situation. He urged the council to resolve their differences and make a decision that would get the City through the next year while long-term solutions were developed and the public was educated about the problem and necessary solutions.

Mr. Solomon questioned whether a surcharge exemption would apply to private schools and stated she preferred not to exempt any schools because they generated considerable traffic on local streets.

Ms. Ortiz suggested that school exemptions might be based on school population.

In response to a question from Mr. Zelenka, City Attorney Glenn Klein explained that a fee was referable to the ballot if it was a legislative action, but not if it was an administrative action. He said a legislative action would be the council's adoption of an ordinance establishing a surcharge; an administrative action would be the city manager's adoption of an administrative order changing fees. He thought that an ordinance would be required in order for the revenue to be used in a particular way and voters could refer the ordinance.

Mr. Zelenka pointed out that garbage haulers were guaranteed a rate of return by the City; a benefit that other businesses did not enjoy. He said a recent rate increase imposed by garbage haulers on their

customers, which was twice the proposed surcharge, had not resulted in people changing or dropping their garbage service.

Ms. Syrett liked the concept of a vehicle registration fee, but recognized there were obstacles. Mr. Corey said that currently only the County could impose such a fee, which would be countywide, and the council was also concerned about extending the fee to other users.

Mr. Smith asked why the surcharge was not extended to other large vehicles that regularly used the streets, such as freight trucks and LTD buses. Mr. Corey replied that garbage haulers were unique users of local transportation systems as no other large vehicles routinely used every street in the City every week. He said most garbage trucks weighed in excess of 30,000 pounds and studies documented the damage inflicted on locally designed streets by those types of vehicles. Other large trucks typically did not use local streets and were actually prohibited except for specific construction services. He said the surcharge was a commonly used mechanism across the county for generating revenue for road maintenance and repair.

Mr. Clark agreed with Ms. Ortiz's concern about imposing a financial burden on schools and granting them an exemption raised the question of whether other entities should be granted an exemption. He preferred to solve the transportation funding problem on a regional basis as the County and other jurisdictions were in a similar predicament. He hoped that the issue would be raised with county commissioners.

Mr. Poling said the City was trying to repair and maintain the entire transportation system and garbage haulers were targeted because of their use of local streets. The surcharge should be dedicated to local residential streets, otherwise other heavy vehicles should be included.

Mr. Zelenka remarked that county commissioners had indicated they would consider a countywide vehicle registration fee only if every jurisdiction in Lane County requested it.

Mr. Barofsky appreciated the creative ideas that had been discussed and said he was willing to consider amendments to his motion that would achieve filling the \$900,000 operations and maintenance budget gap. He remarked that one city had taken the approach of "selling" potholes and painting the logo of the business that paid for the repair on the spot when work was completed.

Ms. Ortiz asked staff to provide information at the next Budget Committee meeting on Mr. Poling's suggestion to dedicate a garbage hauler surcharge to local streets.

Ms. Solomon pointed out that another option for filling the budget gap was to transfer Facility Reserve funds from the pothole program to operations and maintenance. She was concerned that a surcharge would not be limited to one year.

Mr. Corey believed there was a way to dedicate surcharge revenue to local streets because that was where most of the pothole work was done.

## **V. INFORMATION REQUESTS, INTENDED MOTIONS, NEXT STEPS**

Mr. Barofsky noted that a citizen member of the Budget Committee—Noah Kamrat— had not attended any of the meetings and expressed concern about lack of balance on the committee. He asked the council to consider whether a replacement should be appointed.

Ms. Murdoch explained that Mr. Kamrat was transferred out of the country by his employer immediately after he was appointed to the committee. He would return in June and had expressed an interest in continuing as a committee member.

In response to questions from Mr. Clark and Ms. Syrett, Assistant City Manager Sarah Medary explained that the budget for the police auditor's office was included in the city manager's office budget. She would provide details of the auditor's budget. Mr. Ruiz noted that \$10,000 had been added to the auditor's budget for investigative services.

Mr. Barofsky asked committee members to think about motions they wanted to propose and provide that information to staff as soon as possible.

Ms. Solomon inquired about the status of union negotiations. Mr. Ruiz said negotiations were still in progress and no agreements had yet been reached. He said the \$12 million savings plan included \$2.6 million savings in General Fund personal services and options for achieving those savings were being discussed with the unions.

## **VI. ADJOURN**

The meeting adjourned at 9 p.m.

(Recorded by Lynn Taylor)