



**Eugene Central Services**  
Finance

## Memorandum

Date: April 30, 2014  
To: Budget Committee Members  
From: Vicki Silvers, Assistant Finance Director (AIC)  
Subject: Agenda and Motions for May 1<sup>st</sup> Meeting

Please find the following in this packet:

- An agenda for the May 1, 2014 meeting
- Motions needed to approve the City of Eugene and Urban Renewal Agency budgets

Hard copies of these items will be provided to Budget Committee members at the meeting. These materials will also be made available online at [www.eugene-or.gov/budget](http://www.eugene-or.gov/budget).

If you have questions please call me at (541) 682-5082.



**Eugene Central Services  
Finance**

**EUGENE BUDGET COMMITTEE**

**Thursday, May 1, 2014**

5:30 p.m. – 7:00 p.m.

**Downtown Library, Bascom-Tykeson Room**

100 West 10<sup>th</sup> Avenue,

- |           |   |
|-----------|---|
| 5:30 p.m. | I. Public Hearing on FY15 Budget  |
| 6:15 p.m. | II. Committee Deliberation and Action<br>Laura Illig, Chair                                   |
| 6:50 p.m. | III. Next Steps and recognition of Mark Rust's service on the Committee<br>Laura Illig, Chair |
| 7:00 p.m. | IV. Adjourn   |

The City of Eugene is committed to access for all participants. All events are held in wheelchair accessible rooms. For individuals who are hearing impaired, an interpreter, note taker or FM assistive listening system (if available) can be provided with three business days' notice prior to the event. Materials can be made available in alternate formats if requested in advance and are available on the City's website at [www.eugene-or.gov/budget](http://www.eugene-or.gov/budget). To arrange for services or for more information about the session, please contact the Finance Division at (541) 682-5022.

**MOTIONS TO RECOMMEND TO THE CITY COUNCIL:**

- A. Move that the Budget Committee recommend to the Eugene City Council the FY15 Budget for the City of Eugene that consists of the City Manager's Proposed FY15 Budget, including the property tax levies and/or rates contained therein, amended to reflect appropriations for prior year encumbrances and prior year capital projects, with the following budget amendments:
  
- B. Move that the Budget Committee recommend to the Eugene City Council, acting as the Urban Renewal Agency Board of Directors, the FY15 Budget for the Eugene Urban Renewal Agency that consists of the City Manager's FY15 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.
  
- C. Other motions that do not impact the FY15 Budget:
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# Memorandum

Date: **April 24, 2014**

To: **Budget Committee**

From: **Laura Illig, Chair**

Subject: **Recap of the FY15 Budget Process**

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Due to City Council's decision to put a City Service Fee measure on the May 2013 ballot, the FY14 budget process was abbreviated. The Budget Committee wanted more time to explore future budget decisions and to develop a long-term sustainable financial strategy for the City of Eugene. Thus, with guidance from a Planning Team comprised of the Mayor, the City Council President, the Budget Committee Chair and the City Manager, we developed a process for the Budget Committee's FY15 deliberations.

## **Budget Committee Process**

To kick off the process, the Committee held an all-day work session in July 2013, including Senior Staff from the City in the conversation. The City Manager gave a comprehensive historical overview of the City's budget since the beginning of the recession in 2008. We had robust conversations throughout the work session. Topics covered were best/worst outcomes for the budget process, roles and responsibilities of the Budget Committee, and how to gain public trust through transparency and citizen engagement.

Between July 2013 and March 2014 we discussed some of the City's financial policies and Council Goals and how they impact the budget and decision-making; the ins and outs of non-general funds; the importance of maintaining City assets; and the criteria used to develop previously proposed budget reductions. Over the course of eight months and 13 meetings, we spent numerous hours examining, learning, discussing and listening. We gathered information, discussed policy, and grappled with the difficult issues that arise when resources are limited.

## **Finance Investigative Team**

Meanwhile, a Finance Investigative Team (FIT) was convened for the purpose of examining a list of budget balancing ideas that have been suggested, questioned or proposed over the past several budget cycles. This sub-committee was composed of Budget Committee members, City Councilors, and community members. These dedicated volunteers spent many hours reviewing materials, listening to staff presentations and discussing the merits

of a long list of ideas as they could be applied to the current budget gap or for a future sustainable budget solution. The final report was presented to the full Budget Committee with community members expressing their appreciation for the process that provided them a greater understanding of the complexity of the budget process. The report was instrumental to our discussions.

### **Citizen Engagement**

The extended schedule provided opportunity for us to host a series of five community workshops held at each of the Eugene high schools to engage the community for gathering input on the City's budget challenges. The deliberative process included several opportunities for public comment, culminating with the Committee providing six potential reduction strategy scenarios at two public hearings. From all of this work the City Manager developed a recommendation for General Fund strategies to address the \$2.5 million FY15 General Fund budget gap.

### **Revenue Team**

Over time and thorough examination of budget saving ideas, it became clear that new, on-going revenue should be considered in order to alleviate the lingering structural imbalance in the budget. A Revenue Team sub-committee was formed to identify potential General Fund revenue strategies that might make sense for the Budget Committee and City Council to consider. This group met four times and focused on revenue strategies that would provide significant new revenue, would likely be accepted by the community and could be implemented by FY16. Their final report is an analysis of the pros, cons, and political feasibility of 24 potential revenue alternatives that will be a resource for the Budget Committee and City Council to use in the future.

### **Proposed Budget**

The FY15 Proposed Budget, developed by the City Manager, reflects our input and decision making during this robust process. The next steps are for the Budget Committee to review the Proposed Budget and make a recommendation to City Council. City Council is scheduled to consider and approve the final budget on May 27, 2014.

More information on the City's budget, including the FY15 Proposed Budget, the final reports from the Finance Investigative Team and the Revenue Team, and links to Budget Committee materials can be found on the City's website at: [eugene-or.gov/budget](http://eugene-or.gov/budget).



# FY15 Budget Process

**13**

Number of  
Budget  
Committee  
Meetings

**36** HOURS OF  
MEETINGS

*People  
provided  
testimony* **79**

**~\$30**

Million  
Reduced  
Over  
6 years

**110**

FTEs  
Reduced  
in 6 years

5 meetings / 13 hours / 33 items reviewed

FINANCE INVESTIGATIVE TEAM (FIT) WORK

Letters and e-mails  
received from the  
public

**479**

**8** Months of  
Meetings

**\$2.5 million**

FY15 General Fund Gap

Revenue  
Ideas  
Reviewed

**24**

## FY15 Proposed Budget Strategies

| <b>Proposed Ongoing Reductions</b>                      | <b>FTE</b>  | <b>Amount</b>      |
|---|-------------|--------------------|
| Downtown Library Reduction in Hours                     | 4.45        | \$344,000          |
| Community Events Transfer to Cultural Services Fund     | 0           | \$50,000           |
| Recreation Services Fee Increase and Service Reductions | 0           | \$200,000          |
| Transfer Stormwater Services to Stormwater Fund         | 0*          | \$605,000          |
| Central Services Travel, Memberships & Miscellaneous    | 0           | \$95,000           |
| Equity, Human Rights, Neighborhoods & Sustainability    | 3.0         | \$350,000          |
| Parks Maintenance                                       | 2.0         | \$300,000          |
| <b>Total</b>  | <b>9.45</b> | <b>\$1,944,000</b> |

| <b>Proposed One-Time Funding</b>                |             |                  |
|---|-------------|------------------|
| Sheldon Branch Library                          | 2.55        | \$306,000        |
| Human Services Commission Discretionary Payment | 0           | \$250,000        |
| Track Town Funding                              | 0           | \$200,000        |
| <b>Total</b>                                    | <b>2.55</b> | <b>\$756,000</b> |

| <b>Proposed Ongoing Funding</b> | <b>FTE</b> | <b>Amount</b> |
|---------------------------------|------------|---------------|
| LRAPA                           | 0          | \$30,000      |

*\*5.81 FTE transferred from the General Fund to the Stormwater Fund*

# Motions Submitted and Passed, 5-1-2014

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## **MOTIONS TO RECOMMEND TO THE CITY COUNCIL:**

- A. Move that the Budget Committee recommend to the Eugene City Council the FY15 Budget for the City of Eugene that consists of the City Manager's Proposed FY15 Budget, including the property tax levies and/or rates contained therein, amended to reflect appropriations for prior year encumbrances and prior year capital projects.
  
- B. Move that the Budget Committee recommend to the Eugene City Council, acting as the Urban Renewal Agency Board of Directors, the FY15 Budget for the Eugene Urban Renewal Agency that consists of the City Manager's FY15 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.
  
- C. Other motions that do not impact the FY15 Budget:
  - Move that the Budget Committee recommend that the Council appoint a committee to develop for Council consideration one or more options for a 5-year library levy, including an option that would restore the downtown and branch library services that have been cut in recent years. The ad hoc committee should include members of the Council, the Revenue Team and advocates, and should report back to Council in the first part of June.