



Memorandum

Date: May 16, 2016
To: Budget Committee Members
From: Twylla Miller, Budget & Analysis Manager (AIC)
Subject: May 18th Meeting Materials

Attached are the following materials for your next meeting:

- Agenda for May 18, 2016 Budget Committee meeting
- Minutes from the May 11, 2016 meeting
- Memo: Information Requests

Hard copies of these items will be provided to Budget Committee members at the meeting. A direct link to these and other Budget Committee meeting materials can be found here: www.eugene-or.gov/2517/Budget-Meeting-Materials.

Please review the draft minutes from the 5/11/16 Budget Committee meeting. If you have any edits to these minutes, please send them to Jessica Mumme electronically at Jessica.l.mumme@ci.eugene.or.us prior to the meeting on Wednesday and she will compile a list of changes for the committee's review and approval.

We look forward to seeing you on Wednesday. If you have questions about the packet or the meeting, know that you will not be attending the meeting, or need other help, please call me at (541) 682-8417.



**Eugene Central Services
Finance**

**EUGENE BUDGET COMMITTEE
Wednesday, May 18, 2016
Bascom-Tykeson Room, Eugene Public Library
100 W. 10th Ave., Eugene, OR 97401
5:30 – 8:30 p.m.**

- 5:30 p.m. I. Public Comment on FY17 Proposed Budget**
Chelsea Clinton, Chair
- 6:00 p.m. II. Minutes Approval**
Chelsea Clinton, Chair
- 6:05 p.m. III. Human Services**
Sgt. Julie Smith, Sergeant – Patrol Division, Police
Cheryl Stone, Court Administrator, Central Services
Stephanie Jennings, Grants Manager, Planning and Development
- 6:50 p.m. IV. Break**
- 7:00 p.m. V. Economic Development Update**
Denny Braud, Community Development Manager
- 7:45 p.m. VI. Committee Deliberation on FY17 Proposed Budget**
Chelsea Clinton, Chair
- 8:20 p.m. VII. Wrap-up**
Chelsea Clinton, Chair
- 8:30 p.m. II. Adjourn**
Chelsea Clinton, Chair

Next Meeting:

Thursday, May 26, 2016 6:15 p.m.

Bascom-Tykeson Room, Eugene Public Library, 100 W. 10th Ave.

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. To arrange for services or for more information about the session, please contact the Finance Division at (541) 682-5022.

MINUTES

**Eugene Budget Committee
Bascom-Tykeson Room, 100 West 10th Avenue
Eugene, Oregon 97401**

**May 11, 2016
5:30 p.m.**

Committee Members Present: City Council Members George Brown, George Poling, Chris Pryor, Claire Syrett, Betty Taylor; Budget Committee Citizen Members Chelsea Clinton (Chair), Ken Beeson (Vice-Chair), Laura Illig (Outgoing Chair), Will Shaver, Joshua Skov, Scott Nowicki

Committee Members Absent: City Council Members Greg Evans, Mike Clark, Alan Zelenka; Budget Committee Citizen Member Jill Fetherstonhaugh

CALL TO ORDER

Outgoing Chair Illig called the meeting to order at 5:30 p.m.

I. WELCOME AND MINUTES APPROVAL

The Budget Committee received past meeting minutes for review and approval. The minutes pending approval were for the following meetings: May 12, 2015 and November 18, 2015.

MOTION AND VOTE: Councilor Poling, seconded by Councilor Pryor, moved to approve the minutes as described above. PASSED 11:0.

II. ELECTION OF BUDGET COMMITTEE CHAIR AND VICE CHAIR

Outgoing Chair Illig asked the Committee for Budget Committee Chair nominations.

MOTION: Mr. Skov, seconded by Councilor Poling, moved to elect Ms. Clinton as Budget Committee Chair.

MOTION: Councilor Syrett, seconded by Councilor Pryor, moved to elect Mr. Beeson as Budget Committee Chair.

Ms. Clinton and Mr. Beeson briefly spoke as to why they would be successful as chair-person.

VOTE: The vote was called for the motion nominating Ms. Clinton as chair. PASSED 8:3, Councilor Taylor, Councilor Syrett, and Mr. Beeson opposed.

VOTE: The vote was called for the motion nominating Mr. Beeson as chair. FAILED 3:8, Councilor Syrett, Councilor Taylor and Mr. Beeson voting in favor.

VOTE: The vote was called for the motion nominating Mr. Beeson as vice-chair. PASSED 11:0.

III. CITY MANAGER'S FY17 PROPOSED BUDGET

City Manager Jon Ruiz presented the FY17 Proposed Budget. Twylla Miller, Budget & Analysis Manager (AIC) presented materials on the General Fund forecast and financial outlook. The FY17 Proposed Budget is steady and stable, and will introduce a few modest targeted investments to move forward on Council objectives.

IV. BUDGET COMMITTEE DISCUSSION

Members of the Budget Committee provided initial thoughts on the FY17 Proposed Budget.

Councilor Syrett requested additional information regarding the contract increase for the First Avenue Shelter.

Chair Clinton would like to revisit how the Budget Committee restricted the use of Neighborhood Services funding during the FY16 Budget process, indicating that it may be beneficial to consider if funds should be restricted for the newsletter funding only, or could be used for general engagement purposes. Ms. Clinton would like to receive information on how much of the funding approved in FY16 was actually used.

MOTION: Mr. Shaver, seconded by Mr. Skov, moved to place \$60,000 for Neighborhood Services newsletters as an ongoing expense in the budget.

MOTION AND VOTE: Councilor Syrett, seconded by Councilor Taylor, moved to table the motion. PASSED 10:1, Councilor Brown opposed.

Councilor Brown ask the City Manager for information on the cost to have one CAHOOTS van run 24 hours per day, seven days per week. Additionally, the cost to add a portion of an FTE as a stenographer for minutes for Council meetings and Council work sessions was requested.

Mr. Skov requested clarification on the Urban Reserves Planning funding Additional information on changes in Central Services, Public Works and Office of the Chief (Fire) was also requested.

Ms. Illig requested additional details about the City's community engagement resources, personnel and tools.

Mr. Skov asked for clarification on the changes in the Community Development Fund (Fund 170) and information on FY16 spending for the Library Levy.

V. WRAP-UP

Chair Clinton reminded the Budget Committee of next week's meeting, Wednesday, May 18, which will begin with public comment at 5:30 p.m. in the Bascom-Tykeson Room of the Downtown Library.

Chair Clinton instructed Committee members to send any motions they would like considered to Twylla Miller ahead of the next meeting.

VI. ADJOURN

The meeting adjourned at 7:16 p.m.

Respectfully submitted,

Jessica Mumme
Program Coordinator, Finance Division

Memorandum

Date: May 16, 2016

To: Budget Committee

Subject: Information Requests

#	Date Requested	BC Member	Question/Information Request	Department
1	5/11/2016	Syrett	Provide more specifics on the Greenhill Contract Increase (\$95K).	EPD

From Spring to Fall 2015, EPD negotiated an extension with Greenhill for the First Avenue Shelter services contract which had been in place since 2012. At the time EPD and Greenhill entered into this agreement, Greenhill had agreed to a contract that they have since learned does not cover expenses. They have since realized that the operations at the First Animal Shelter cost more due to the condition and layout of the building and the extensive care required for the animals who arrive there (more than is typical for the Greenhill site). Greenhill requested a contract increase to: cover their actual costs of the First Avenue Shelter operation; hire a full-time vet for the First Avenue shelter site (previously had one vet splitting time between both locations); and provide cost of living adjustments for staff (contract had stayed flat for three years).

2	5/11/2016	Clinton	How much of the \$55k for neighborhood newsletters and matching grants was spent in FY16? How were those funds restricted?	CS
---	-----------	---------	--	----

The chart below sets out the budgeted amount for neighborhood outreach, the one-time funds added by the Budget Committee, the amount used by neighborhoods and the amount unspent. The figures for FY16 are for a partial year.

	Ongoing Outreach Budget	One Time Funds Added by Budget Committee Recommendation and Council Approval	Funds Used By Neighborhood Organizations	Total Unspent Funds
FY15	\$81,000	\$0	\$63,400*	\$17,600
FY16	\$115,000	\$35,000	\$53,300**	\$61,700
FY17	\$81,000			

*\$61,700 for printing and postage, \$1700 for other outreach expenses

**\$50,200 for printing and postage, \$3100 for other outreach expenses

The following chart sets out the budget for the neighborhood matching grants, the one-time funds added by the Budget Committee, the matching grant awards, and the total unused funds. No more funds are anticipated to be used in FY16.

	Ongoing Neighborhood Matching Grant Budget	One Time Funds Added by Budget Committee Recommendation and Council Approval	Neighborhood Matching Grant Awards	Total Unused Funds
FY15	\$30,000	\$0	\$30,000	\$0
FY16	\$50,000	\$20,000	\$20,000	\$30,000
FY17	\$30,000			

There are no restrictions on how funds can be used, once a neighborhood has sent two mail outs to every household in the neighborhood per year. Based on previous Council direction and the *Guidelines for Use of Public Information and Outreach Funds*, neighborhoods are asked to send two mail outs to every household in the neighborhood per year. Beyond that requirement neighborhoods can use funds as needed for additional mail outs or other forms of outreach including but not limited to the following:

- Food and beverage, excluding alcohol, at annual or special events
- Rental fees
- Disposal fees for neighborhood cleanups
- Entertainment at events
- Permit and insurance fees
- Banners, signs, logos, maps
- Design and layout of newsletters, postcards, flyers, posters or ads
- Design, development and maintenance of websites
- Translation and interpretive services
- Childcare services at meetings or events
- iContact email subscription service

3	5/11/2016	Brown	How much would it cost for one Cahoots Van 24/7?	EPD
---	-----------	-------	--	-----

The cost to run an additional CAHOOTS van to achieve 24/7 service is \$215,000. The FY17 contracted amount for this service is \$573,000 for two vans and covers the following hours:

- Van 1: 11:00 a.m. to 3:00 a.m. daily
- Van 2: 3:30 p.m. to 10:30 p.m. daily

This schedule leaves a gap with no CAHOOTS van in service between 3 a.m. and 11 a.m. daily. The \$215,000 estimated for the additional van includes \$200,000 to White Bird and \$15,000 for van, radios etc. It is possible that actual costs would be slightly higher to accommodate shift changes and rest breaks.

The attached chart shows CAHOOTS demand by hour of day, with low demand between 3 a.m. and 11 a.m.

4	5/11/2016	Brown	How much of an FTE and funding would be required to bring back a stenographer for City Council meetings and work sessions?	CS
---	-----------	-------	--	----

To restore the previous level of service it is estimated that at a minimum, 2 FTE would be required at approximately \$200,000, not including associated Materials and Services costs and temporary staffing that would be required to ensure coverage.

Delivery of the minutes recording function for the City Council and the Budget Committee meetings and work sessions was changed several years ago as part of the organizational footprint reductions. With archived video recordings of the Council and Budget Committee meetings available on the City’s website, the need for detailed written minutes was reduced. Abbreviated Council meeting minutes that meet the legal requirements of ORS 192.650 are taken by City Manager’s Office (CMO) staff. Implementation of software and other operating efficiencies in the CMO also allowed for streamlined delivery of minutes to Council and better accessibility of both minutes and videos on the City’s website.

The cost of restoring dedicated minutes recording staff depends on how the service delivery is structured, the number of meetings that will need to be covered, hourly billing rate, number of billable hours per month, and other variables. Calculating the total cost of providing detailed written minutes using in-house staff would require a complete operational analysis, as well as determining the number of billable hours that can be charged to external customers.

5	5/11/2016	Skov	Provide clarification on Urban Reserves planning work (total amount for this item and progress to date).	PDD
---	-----------	------	--	-----

On July 20, 2015 the City Council committed \$750K toward establishing urban reserves. On December 14, 2015, the City Council passed a Supplemental Budget of \$300K for PDD work on urban reserves. This funding has not yet been spent, but will be used to work on updating the Urban Growth Boundary (UGB) (\$150K) and for urban reserves planning work (\$150K). According to state law, a city cannot adopt urban reserves without first having an up-to-date UGB in place. Staff anticipate analysis work will begin in 2017.

The FY17 Proposed Budget includes an additional \$300K for urban reserves planning work, as the first year in a two-year allocation for this purpose, as directed by Council. By FY18 \$750K will be allocated for establishing urban reserves.

6	5/11/2016	Skov	Why were there \$170,300 in expenses related to the library levy on the FY16 Supplemental Budget?	CS
---	-----------	------	---	----

July 27, 2015, Council authorized the distribution of a local voters’ pamphlet and preparation and distribution of a neutral information tabloid for the Library Local Option Levy ballot measure on the November 5, 2015 ballot. Council approved the supplemental budget request for these items on December 14, 2015 (shortly after the election). The costs were budgeted at \$170,300, of which \$32,000

was taken from Council Contingency and the remainder was taken from other resources that became available as of that supplemental budget.

7	5/11/2016	Skov	Provide clarification on the consecutive-year increases in Central Services personnel costs. (BDOC pg. 41)	CS
---	-----------	------	--	----

The FY17 proposed budget includes an increase in the Central Services Department’s personnel budget of approximately \$3.3 million, or 14% over the FY16 adopted budget. This increase is due to a combination of the following factors:

1. The total FTEs for the Central Services Department are going up by 3.25 FTE for a total of \$394,000. One FTE is the addition of a new Deputy City Prosecutor position that is paid from reallocating existing contract expenditures. Previously, we had one city prosecutor in-house and contracted with private attorneys for more than one FTE worth of work. In order to provide more consistent and better prosecution assistance, we moved much of the outside-contract work to an in-house deputy prosecutor in the same way that we previously moved much of the outside legal work to in-house city attorneys.

The second new FTE is a Systems Programmer to support the Public Safety software system that is paid from existing resources in the Public Safety Information Systems Fund. One spay/neuter clinic position is being increased by 0.25 FTE to support a higher level of activity and is paid from higher revenue. The final 1.0 FTE is an addition included in the FY17 proposed budget. This position will support the emergency management program and will be funded through risk rates paid by all departments.

2. The FY17 proposed budget contains \$1.75 million in personnel appropriations in the Corporate Software Fund for staffing associated with the upgrade of the City’s financial and human resource systems. The FY17 Central Services budget also shows a decrease in materials and services as funds previously budgeted in materials and services are being moved to personnel to more accurately reflect current expectations of project implementation activities.

The corporate software upgrade was launched in FY16 to replace critical business software installed in 1999. The project is expected to continue through FY20, and is anticipated to require a significant amount of personnel to implement. There were minimal FY16 personnel costs budgeted for the project, as most of the work up to date has been accomplished with existing City staff. Personnel costs not expended in FY17 will be carried over into the subsequent fiscal years and used as needed until the project is completed. Once the project is complete, the additional personnel expenditures for the project will cease.

3. Central Services Administration’s FY17 proposed budget includes the City Manager’s proposed \$500,000 one-time appropriation for the 2021 IAAF Championships. Of this amount, \$250,000 was budgeted in the personnel category, and another \$250,000 was budgeted in the Materials and Services category. This item is a placeholder for future costs that have not been identified yet, and the funds will not be expended until specific needs or projects are identified.

4. After accounting for the three factors described above, the remaining Central Services personnel budget change from FY16 to FY17 represents an increase of 3.8%, which is mostly due to the health rate increase and other normal personnel cost increases.

8	5/11/2006	Skov	Why are personnel services in Public Works increasing by 4.1% and Materials and Services are decreasing by 9.5%? (BDOC pg.41)	PW
---	-----------	------	---	----

The FY16 Budget included two large project expenditures that are not carried over to FY17: replacement of high pressure sodium (HPS) street fixtures to LED lighting (\$1.7M) and the Airport's Community Air Service Development Grant project (\$775K). These items were not recurring expenditures in FY17 and the budget was reduced to account for the change. The increase in personnel services includes the Airport FTE included in the proposed budget, dollars for limited duration (project) staff, inflationary adjustments and other benefit related increases.

9	5/11/2016	Skov	Why is there a 50% increase in Personnel Services in the Fire and EMS, Office of the Chief budget? (BDOC pg. 46)	Fire
---	-----------	------	--	------

The difference in personnel between the FY16 Adopted Budget and FY17 Proposed Budget over inflationary and benefit adjustments is attributed to union contract costs and staffing. The previous contract for the International Association of Fire Fighters (IAFF) expired 6/30/15 and the City and IAFF were in contract negotiations when the budget was prepared. The personnel budget for the Office of the Chief included about \$400K for IAFF contract settlement pending the outcome of contract discussions. Within the past few weeks, the City and IAFF have entered into a new contract through June 30, 2018 and the contract funding in the Office of the Chief will be moved to the operations division in the new fiscal year.

The Office of the Chief personnel budget was also increased to fully fund an Administrative Specialist. This existing position had previously been shared with the City of Springfield and is now fully funded by the City of Eugene. The additional funding to cover this increase was reallocated from other divisions.

10	5/11/2016	Skov	Why are there large swings in the Community Development Fund (Fund 170)?	PDD
----	-----------	------	--	-----

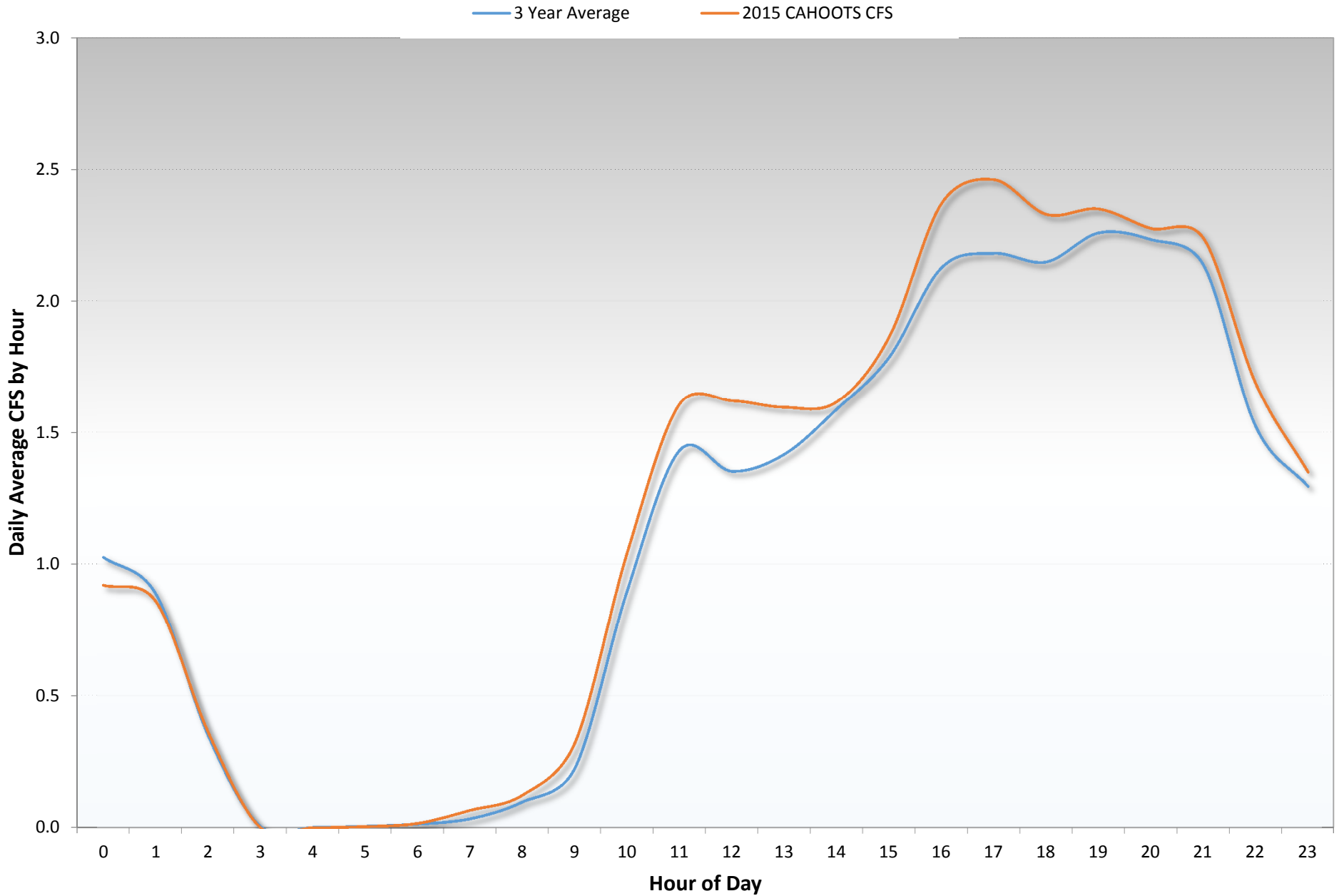
Fund 170 (Community Development Fund) accounts for federal grant entitlements and is guided by the consolidated plan. These funds aren't always received or spent within a single fiscal year and are often recognized on Supplemental Budget #1. Project expenditures can range from small to large affordable housing projects, land acquisitions, and capital projects. The Adopted Budget document has a fund overview for Fund 170 beginning on page 107 in the FY16 Adopted Budget that describes projects that have been completed as well as upcoming projects.

11	5/11/2016	Illig	Provide more detail about the city's community engagement resources, personnel and tools.	CS
----	-----------	-------	---	----

In Progress

CAHOOTS Demand by Hour

2015 CFS vs. 3 Year Average



Memorandum

Date: May 18, 2016

To: Budget Committee

Subject: Information Requests

#	Date Requested	BC Member	Question/Information Request	Department
11	5/11/2016 5/16/2016	Illig Skov	Provide more details about the city's community engagement resources, personnel and tools. How can this relate to a re-invigoration of public engagement throughout the organization?	CS

In Progress

12	5/16/2016	Skov	How will the currently planned cost of the new City Hall be funded? Will this affect other projects in the Capital Improvement Program (CIP)?	CS
----	-----------	------	---	----

City Council discussed the City Hall project and a possible funding approach at the April 11 and April 25 council meetings. Next steps for the project are for the City to receive bids, and then staff will bring back the updated project cost, along with a proposed funding plan, to Council. This will occur in a supplemental budget in July, after the FY17 Budget is adopted.

The slide from the April 25 City Council meeting with the potential funding sources is attached. The use of Risk Funds shown on the slide was only for increasing the seismic level of the building. City Council provided direction to not increase the seismic level to essential facility standards and therefore no Risk Funds will be used.

One of the major potential sources is an allocation from the capital budget. This would likely be a combination of some existing one-time resources plus a small portion of the capital budget allocated over a number of years in order to repay a loan issued for the project. The impact would be that some projects might be delayed.

13	5/16/2016	Skov	Provide clarification on the corporate system upgrade and how it relates to a budget oversight perspective.	CS
----	-----------	------	---	----

Staff will provide an overview of the corporate system upgrade at the May 18, 2016 Budget Committee meeting.

14	5/16/2016	Skov	Provide additional clarity on the Urban Reserves/UGB response to question #5. What will happen to funds that aren't spent by the end of the fiscal year?	PDD
----	-----------	------	--	-----

The Urban Growth Boundary (UGB) funds will cover non-FTE costs such as consultant support, some limited duration staff work, and expense associated with the UGB adoption package such as major citywide notification mailings. \$150K of the FY16 SB#1 funding is for this purpose.

The Urban Reserves funds will support necessary costs to complete the analysis and adoption of Urban Reserve concurrently with other, high-priority planning work identified by Council (e.g. area planning for Santa Clara/River Road and the university area neighborhoods, and revising needed housing criteria, and establishing a Eugene-specific comprehensive plan). The Urban Reserves work will mainly rely on both limited duration staff and consultants, however existing FTE will also be needed for oversight, coordination, and specialized tasks. Since the intent is to maintain staff capacity to accomplish previously-promised work, buying time from existing FTE means that funds will be needed to backfill other obligations. A reduction in personnel costs is not anticipated.

Funds allocated for Council priorities that are unspent at the end of the fiscal year are reappropriated into the next fiscal year to continue progress on identified goals. The total funding allocated to Urban Reserves over the FY16 to FY18 time horizon will be \$750K. The FY18 allocation for Urban Reserves may be reduced from the anticipated need of \$300K as this work is implemented, if funds related to the UGB remain after the UGB adoption.

15	5/16/2016	Skov	Provide clarity on what is meant by contractual settlement in the response to question #4.	CS
----	-----------	------	--	----

The contractual settlement costs are increased wages and fringe benefits. This represents the increased costs to implement the new contract that were determined through an arbitration process.

16	5/16/2016	Skov	Provide additional detail for the materials, services, and FTE related to the library levy. Is there any monitoring planned for the levy expenditures?	LRCS
----	-----------	------	--	------

The Eugene Public Library Levy (Ballot Measure 20-235) will provide \$2.7 million per year to support expanded library services for the next five years (FY2017-21).

- **More Hours and Access**
The levy adds 22 hours each week at the Bethel and Sheldon Branch, bringing each to a total of 48 open hours across six days each week. (Currently, the branches are open 26 hours across five days.) It also adds Sunday mornings at the Downtown location. The new hours will begin on July 1, 2016. 10.15 FTE are being added to support these increased hours.
- **More Programs for All Ages**
These free events will increase by 33% with a particular focus on young readers, teens, and maker opportunities. Some of these new programs will be provided outside of the library, in different locations around Eugene. Also, we will be expanding the volunteer program. To support these additional programs there will be an increase of 5.75 FTE.
- **More Materials and Technology**
The budget for materials will increase, providing quicker availability of in-demand items. Internet access will be doubled at Bethel and Sheldon Branches by allowing on-site borrowing of tablets and laptops. To implement these increases, 2.5 FTE are being added.

As for monitoring and oversight, Section “J” of Resolution 5136 passed by the City Council on July 13, 2015 authorizing the levy called for the following:

- Levy funds will be budgeted and accounted for in separate funds that are easily identifiable by members of the public, in accordance with state law.
- Staff will prepare an annual summary of levy spending and performance measures. The report will clearly lay out the Library’s budget and the split between the General Fund and Levy Funds. The Library Advisory Board will annually review the report to determine whether spending complied with the intention of the ballot measure.
- The City Manager will provide an annual memorandum to the City Council about library levy spending and key performance measures for the services. The memorandum will include the staff report and any comments from the Library Advisory Board after their review.

Copies of Resolution 5136 as well as the information mailer that was sent to all households in the City and detail the information above will be available for Budget Committee members at the May 18, 2016 meeting.

17	5/16/2016	Skov	Clarifying question related to question #7. Provide more information on the increase of 30.7% from FY15 to FY17.	CS
----	-----------	------	--	----

The reason for the increase in the Central Services Department’s personnel from the FY15 actual levels to the FY16 adopted budget is a significant underspending in FY15 personnel costs due to vacancies. The FY15 actual personnel expenditures in this department (\$20,812,036) were approximately \$1.6 million below the FY15 adopted budget of \$22,427,047 for personnel. The increase from the FY15 adopted budget to the FY16 adopted budget for Central Services personnel costs was 6.5%, which was due primarily to the PERS rate increase in FY16 and increased health care costs. Information about the increase in Central Services personnel costs from FY16 to FY17 was previously provided in the Budget Committee packet.

18	5/16/2016	Skov	Clarifying questions related to question #8. There was also an increase of 21.8% (about \$1.9M) in capital outlay, explain this change.	PW
----	-----------	------	---	----

In process.

19	5/16/2016	Skov	Provide a quantitative summary on the projects in the Multi-Year Financial Plan (MYFP) that shows where funding has been identified for projects that previously didn't have funding identified.	CS
----	-----------	------	--	----

The MYFP has been used in the organization to communicate unfunded needs. Staff uses this document to capture a range of unfunded capital and operational needs in one place. This document is also used with the Budget Committee to communicate these needs and in recent years to talk about components of moving toward a sustainable budget.

The MYFP is updated every two years as part of the Capital Improvement Program (CIP) process. This is a manual process that involves a quite a bit of staff time to coordinate. The MYFP was not created or intended to be a tool to provide interim project updates. The next MYFP will be produced the next budget cycle and presented to the Budget Committee in the winter of 2017.

20	5/16/2016	Skov	How did the City decide on the format for the Proposed Budget document? Is it the minimum information required by state law? If not, how is it different?	CS
----	-----------	------	---	----

The proposed budget document includes the minimum information required by state law plus some additional information that the Budget Committee uses to understand the City's financial condition, such as the General Fund Six-Year Financial Forecast. Prior to the recession, a larger Proposed Budget document was produced each spring. However, as staff reductions occurred in the Finance Division as part of organizational footprint reductions implemented to address budget gaps, a more streamlined Proposed Budget document was produced in an effort to best utilize City resources and to communicate the budget in a clear and more concise way.

The Proposed Budget is intended to be used in conjunction with the prior year's Adopted Budget. The FY16 Adopted Budget provides a significant amount of background information about city services, funds and departments, as well as materials about budget preparation. This document has met the high standards for achieving the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award. The GFOA established the Distinguished Budget Presentation Awards Program in 1984 to encourage and assist state and local governments to prepare budget documents of the very highest quality that reflect both the guidelines established by the National Advisory Council on State and Local Budgeting and the GFOA's best practices on budgeting and then to recognize individual governments that succeed in achieving that goal. Eugene is one of very few organizations across the country that has earned this award every year since its inception.

EUGENE CITY HALL

POTENTIAL FUNDING SOURCES

Funding Source	Range of Potential Funding
Capital Budget Allocations	\$3.8 – 3.3 million
Risk Fund	\$1.0 – 1.5 million
Fundraising	\$0.4 – 0.7 million
Public Works Funds	\$0.5 – 1.0 million
Parking Fees	\$0.1 – 0.2 million
Other One-Time Funding Sources	<u>\$0.2 – 0.3 million</u>
Totals	\$6.0 – 7.0 million



Memorandum

Date: May 18, 2016

To: Budget Committee

From: Jon Ruiz, City Manager

Subject: 2021 Budget Item and Suggested Motion

Last week questions were asked regarding the proposed \$500,000 one-time investment for the 2021 World Track and Field Championships in the FY17 Proposed Budget. As I stated in the meeting, funds are intended to be allocated and available to the organization to leverage opportunities to fund long standing community priorities. Specific projects have not been identified.

When Eugene hosts the IAAF World Track and Field Championships in 2021, this will be the first time that the event is held in the United States. With 2,000 athletes from over 200 countries and billions of worldwide viewers (behind only the Olympics and the World Cup in size and scope), Eugene will be in the world spotlight in an unprecedented way. While the event itself is momentous, the opportunity to create a legacy for our community is also significant. Investment of time and resources on behalf of our community has the potential to leverage other efforts and funding to produce legacy projects related to economic development, infrastructure improvement and quality of life. With strategy and intention, our approach to this event could serve as a turning point for the future economic prosperity and livability of our community.

Our hope is to use this event as a catalyst to implement many of our priorities. For example, Riverfront park improvements, development of the EWEB site and the Willamette to Willamette project are efforts that can intentionally link downtown Eugene to the river and the university to provide benefit not only to the event, but to all community members and future visitors to Eugene. With efforts such as these, staff have already begun to prepare for the event by considering how our existing operations and projects may have a connection to 2021 or could be shifted slightly to have added impact.

While much of this work is part of our ongoing funding and planning as an organization, some efforts will require upfront funding that is not captured in departmental budgets. Over the coming months staff will

continue to identify and articulate specific funding needs and opportunities. In order to align the timeline of this work with a budget proposal, I am recommending that funds for 2021 not be allocated at this time. To reflect this, I suggest the following motion for Budget Committee consideration:

Move to remove from the FY17 Proposed Budget the \$500,000 proposed for 2021 and place the funds in a designated reserve.

The World Track and Field Championships have never been held in the United States. 2021, and Eugene, will be the first time in this country and will be the single largest athletic event held that year. While five years may seem like a long time from now, there's a significant amount of planning and preparation to host the world and we are committed to making sure Eugene is ready.

