

MINUTES

**Eugene Budget Committee
Emergency Services Training Center
1705 W. 2nd Ave, Eugene, OR 97402**

**March 5, 2018
5:30 p.m.**

Committee Members Present: City Council Members Mike Clark, Greg Evans, Chris Pryor, Emily Semple, Jennifer Yeh, Alan Zelenka; Budget Committee Citizen Members Garrett Dunlavey, Jill Fetherstonhaugh, Emily Fiocco (via conference phone), Jon Jasper (Vice Chair), Eliza Kashinsky, Scott Nowicki (Chair), Josh Skov

Committee Members Absent: City Council Members Claire Syrett, Betty Taylor; Budget Committee Citizen Member Shaun Londahl

Executive Team Members Present: Jon Ruiz (City Manager), Kristie Hammitt (Assistant City Manager), Kathryn Brotheron (City Attorney), Sue Cutsogeorge (Central Services Director), Renee Grube (Library, Recreation and Cultural Services Director), Denny Braud (Planning and Development Division Director), David James (Eugene Police Department), Sarah Medary (Public Works Director)

Guest: Mayor Lucy Vinis

CALL TO ORDER

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

I. INTRODUCTIONS, Welcome

II. OVERVIEW OF THE WORKSHOP

City Manager Jon Ruiz explained the purpose of the workshop is to provide an initial update on the City's financial forecast, strategies moving forward and to gather Budget Committee input on topics for subsequent meetings in the spring.

III. BUDGET COMMITTEE UPDATES

Jamie Garner, Budget and Analysis Manager (AIC), reviewed updates from the FY18 budget process and answered questions related to the updates, which included community justice, the Fire and EMS transportation system, public housing, human services funding, the budget visualization website, incorporating the Climate Recovery Ordinance (CRO) into the Capital Improvement Program (CIP), and an update to the fall public safety service profiles.

IV. FINANCIAL CONDITION UPDATE AND UPCOMING BUDGET CYCLE

Twylla Miller, Finance Director (AIC), gave an overview of the City's financial condition. With the FY18 Adopted Budget changes, the City started FY18 with a surplus and appears stable through FY21 using the

surplus to offset PERS rate increases in FY20. Due to a subsequent PERS rate increase, however, the City anticipates beginning FY22 with a deficit unless further action is taken.

Taxable property value increased more than initially projected last year. Right-of-way (ROW) revenues have increased as well; although, there is uncertainty around this revenue source. EWEB contributions in lieu of tax are trending downward due to a change in EWEB's rate assumptions. Ground Emergency Medical Transport (GEMT) revenues were expected to begin in FY18 but remain outstanding. The forecast has been adjusted accordingly. Marijuana tax revenue was estimated conservatively, and receipts are coming in higher than these estimates so far. Budget staff will continue to estimate conservatively as only two distributions have been received to date. PERS rates have adjusted every two years and are projected slightly higher compared to previous forecasts, and large increases are still anticipated in FY20 and FY22.

With several updates to revenue and expense projections since last spring, there is no longer a gap in FY19 and FY20 as anticipated last spring. Additionally, one-time strategic investments will be part of the FY19 Proposed Budget. There are still areas of risk and uncertainty including potential Federal Communications Commission (FCC) action, union contracts under negotiation, upcoming ballot measures, deferred maintenance and inflation – all of which could impact the General Fund's position.

Councilor Evans arrived at 5:48 p.m.

Mr. Dunlavey left at 5:55 p.m. and returned at 6:01 p.m.

City Manager Jon Ruiz discussed the City's approach to financial management, how it has contributed to the City's current stable position and what this means for FY19 and beyond. He noted current Council and Urban Renewal Agency budget-related items: ambulance system, community justice, parks and recreation bonds, transportation system development charges (SDCs) and a railroad quiet zone.

V. BREAK

Mr. Dunlavey left during the break.

VI. SPRING BUDGET PROCESS – SMALL GROUP DISCUSSION

Attendees broke into small groups to discuss what topics they would like to hear presentations on in the spring Budget Committee meetings and what information needs they have. A speaker from each small group presented their team's two highest priority presentation groups (see Appendix A)

Team 1: Public safety (Police and Fire) and infrastructure (deferred maintenance and density impacts)

Team 2: Update on prior year's one-time strategic investments and downtown security and revitalization

Team 3: How to incorporate strategic investments in the budget (public safety, housing, homelessness) and funding new initiatives (options and a revenue team)

Team 4: Homelessness and the CRO interaction with the CIP and Transportation System Plan (TSP)

From the eight presentation topics, the Budget Committee members voted for their top four presentation topics, resulting in: Public Safety (Police, Fire, Communications Center), Strategic Investments Incorporated in Budget (Public Safety, Housing, Homelessness), Infrastructure (Deferred Maintenance and Density Impacts) and Downtown Security and Revitalization.

VII. ELECTION OF OFFICERS

Chair Nowicki asked the Committee for Budget Committee Chair nominations. He expressed his own interest in continuing to serve as chair.

MOTION: Ms. Fetherstonhaugh, seconded by Councilor Clark, moved to re-elect Mr. Nowicki as Budget Committee Chair.

VOTE: The vote was called for the motion nominating Mr. Nowicki as chair. PASSED 12:0.

Mr. Jasper expressed his interest for the vice chair position.

MOTION: Mr. Skov, seconded by Councilor Clark, moved to elect Mr. Jasper as Budget Committee Vice Chair.

VOTE: The vote was called for the motion nominating Mr. Jasper as vice chair. PASSED 12:0.

VIII. NEXT STEPS

Chair Nowicki announced the next Budget Committee meeting to be held Wednesday, May 9th at the Downtown Library, where the City Manager will present the FY19 Proposed Budget. There are three citizen member openings for the next budget cycle, and applications are due March 31st. Interested individuals can visit the City's website for more information. Chair Nowicki notified the attendees that Mr. Londahl has agreed to serve as the representative for the Human Services Commission (HSC) beginning in March.

ADJOURN

The meeting adjourned at 8:02 p.m.

Respectfully submitted,

Jenna Boyd
Program Coordinator, Finance Division

Appendix A
March 5, 2018: Budget Committee Workshop
Small Group Discussions

Voting Results: Top Four Presentation Topics

1. Public Safety (Police, Fire, Communications Center)
2. Strategic Investments Incorporated in Budget (Public Safety, Housing, Homelessness)
3. Infrastructure (Deferred Maintenance and Density Impacts)
4. Downtown Security and Revitalization

Presentation topics listed below in **bold** were submitted as the top recommendations from each group for vote.

Red Team – Nowicki, Jasper, Evans, Clark, Zaludek, Cutsogeorge

Presentation Topics:

- **Public safety**
 - **Police**
 - **Fire**
- UNA items specifically related to Police and Fire
- Additional revenue – how to maximize General Fund supporting Police and Fire
- Addressing homelessness strategically
- Communications center and dispatch
- Population growth – right-size the budget for likely vs forecast population growth
- **Infrastructure – deferred maintenance impact on budget, impact of increased density**
- Impact of University of Oregon growth on City services
- River Rd and Santa Clara voluntary annexation

Information Requests:

- Information on FTEs vs. overtime and minimum staffing requirements
- Likely population budgeting as opposed to forecast
 - Forecast with a range of estimates for population
 - Does any other municipality add a metric for climate refugees?
- EPD statistics
 - Average workload for a detective
 - Unanswered calls
 - UNA item related to EPD
 - Communications Center calls per day

Yellow Team– Fiocco, Fetherstonhaugh, Semple, James, Hammitt

Presentation Topics:

- **Update on one-time strategic investments from prior years**
- Explore revenue generating possibilities
- **Downtown security and revitalization**

Information Requests:

- Business tax
- Revenue generating possibilities
- Revenue Committee work update

- Explore new revenue streams to fill budget gap
- Update on money spent
- How are we getting reports on bigger projects (e.g. Envision Eugene) and how the revenue stream is impacted by these projects
- Benefits vs costs analysis
- Revenue focus
- Revenue items that were not presented
- Lack of proper follow-up on items present in the budget
- Update on additional costs like costs of 12 police officers and 911 center
- Union and fire chief (actual people involved in the operational side) can provide updates on the budget – it will be easier to understand budget changes
- Need more funds for downtown security projects

Blue Team– Vinis, Pryor, Skov, Kashinsky, Medary, Brotherton

Presentation Topics:

- **How to incorporate strategic investments in budget (public safety, housing, homeless)**
- Budget implications of various housing incentives
- Public safety options/summary of community justice conversation
 - Services/funding options
- **Funding new initiatives**
 - **Options**
 - **Revenue team**
- NW Natural franchise fee

Information Requests:

- Strategic investments: ongoing vs one-time
- Mapping value phase 2 (costs)
- Property taxes 101
- NW Natural franchise fee
 - What are others doing?
 - Legal options
- New revenue subcommittee/team
- Cost recovery of code enforcement
- Earthquake/seismic costs for buildings

Green Team– Yeh, Zelenka, Grube, Braud

Presentation Topics:

- Ways to incentivize City partnerships for homeless housing (immediate need, short term and long term)
 - What has been done and what are we doing
 - What is the most effective/impactful?
 - **Homelessness**
 - **Housing**
- CRO/CIP with TSP
 - Action plan within one year
 - **CRO interaction with CIP and TSP**
- Public safety/community justice

Information Requests:

- Updates on (ex: City Focus section of Budget):
 - Budget visualization
 - Ambulance
 - 2021
 - CRO/CIP
 - Community justice
 - Homeless shelter