

MINUTES

Eugene Budget Committee
Bascom-Tykeson Room—Eugene Public Library—100 West 10th Avenue
Eugene, Oregon

February 29, 2012
5:30 p.m.

PRESENT: Claire Syrett, Chair; Shanda Miller, Vice Chair; John Barofsky, Ken Beeson, George Brown, Chelsea Clinton, Pat Farr, Andrea Ortiz, George Poling, Chris Pryor, Mark Rust, Doug Smith, Betty Taylor, members; Mayor Kitty Piercy; City Manager Jon Ruiz; Assistant City Manager/Planning and Development Director Sarah Medary; Central Services Director Kristie Hammitt; Fire and EMS Chief Randy Groves, Public Works Director Kurt Corey; Library, Recreation, and Cultural Services Director Renee Grube; Mia Cariaga, Sue Cutsogeorge, Pavel Gubanikhin, Larry Hill, Twyla Miller, Central Services Department; Scott Luell, Planning and Development Department; Mike Magee, Library, Recreation, and Cultural Services; Lori Kievith, Eugene Police Department.

ABSENT: Mike Clark, Laura Illig, Alan Zelenka, members.

I. OPENING REMARKS

Ms. Syrett called the meeting of the Eugene Budget Committee to order. She reviewed the agenda and noted that staff would present on the Animal Services budget on March 7. She encouraged committee members to attend the April 11 council work session at which the council would discuss the recommendations of the Council Committee on Human Services Funding and the Opportunity Eugene Task Force.

II. PUBLIC COMMENT

Robert Olson asked the committee not to reduce the City's contribution to the Lane County Animal Services (LCAS). He asked the committee members to consider their value systems as they reviewed the budget. Mr. Olson offered the committee a handout describing the animal overpopulation problem.

Michael Barnebey, President of the International Association of Fire Fighters Local 831, advocated for retention of a fire company at Fire Station #2. He said the proposed reduction was the same as proposed the previous year, which had been filled through one-time funding. He believed the proposed reduction would leave a gap in the City's coverage, particularly for the residents of Ward 7. Mr. Barnebey believed further funding was justified and indicated he would attend future meetings to provide more information.

George Kloeppe, Executive Director of the Lane Council of Governments (LCOG), urged the council to continue Eugene's charter membership in LCOG. Eugene was instrumental in LCOG's formation and had reaped many benefits from its membership. He also urged the committee to pay Eugene's dues to LCOG for fiscal year 2013. The amount involved, approximately \$73,800, was significant to LCOG as it represented about one-third of the agency's General Fund. He clarified that all LCOG's member jurisdictions had paid dues in the current fiscal year.

Rita Castillo asked the committee to continue the City's contribution to LCAS. She acknowledged that budgets were tight and suggested that Eugene was in a triage situation. She believed that in such a situation Eugene should put its funding into services that did the most good for the most people and prevented suffering. She commended the work of LCAS and said it was a good value for the dollar. The agency relieved suffering, prevented the spread of disease, and made the streets safer.

Lisa Warnes commended LCAS. She questioned the ability of staff to reorganize the functions of the agency. She did not think the unintended consequences were not being addressed and suggested that the staff team should be augmented by people familiar with animal rescue. Ms. Warnes did not think a nonprofit agency would be able to do a better job with less money. She wondered why City staff salaries and hours were not being reduced instead. She envisioned the result of the staff result would be more feral dogs, more dead animals, more disease, and higher police costs.

Cathy January asked the City to continue the City's contribution to LCAS. She hoped to see a time when the agency was expanded because its quarters were currently cramped. She questioned how Eugene could fund bicycle bridges and public art when homeless animals and homeless people, including those with animals, needed help. She advocated for more enforcement of animal control laws.

Cindy Ehlers said she was recently laid off from her job as animal behavior and training coordinator at LCAS. She had done behavior assessments, behavior modification, behavior plans, and trained volunteers. She believed the Behavior Department was necessary so LCAS could match the right dog to the right home and ensure dogs were safe out in public. She attributed some of the reductions in euthanasia at LCAS to the Behavior Department and the volunteers who worked with behavior-challenged dogs. Ms. Ehlers asked if a Eugene-only agency would understand the importance of a Behavior Department.

Scott Bartlett emphasized the long-term interjurisdictional partnership represented by LCAS. He said euthanasia had fallen to very low levels over the last ten years. Adoptable and treatable animals were the shelter's priority. While he acknowledged nothing was set in stone, he asked the committee to give a fair hearing to those who wished to retain LCAS and the networks and relationships it supported. He asked if the reduction was worth destroying something the community cared so deeply about.

Kathryn Paulson asked the committee to continue the City's contribution to LCAS. She had been pleased to see the improvements that occurred at LCAS over the years. She acknowledged tight budgets but believed it was important to have one government-operated animal shelter in Lane County. She questioned whether the police could meet the additional demand caused by closure of LCAS given that police services were already stretched to the limit. She questioned who would oversee the operations of a private provider to ensure the well-being of the animals.

Christina Clark opposed budget reductions for LCAS. She feared that residents would poison or shoot animals because they did not know what to do about them. She believed it would be disgraceful to close LCAS. She agreed that police services were stretched and said a house breaking call would always take priority over a call about an animal at large. She wanted to hear ideas about fund raising to ensure LCAS was open in the future. She thought the community should be appealed to for help. She asked the committee to communicate with LCAS advocates about ways to maintain the service.

Megan _____ did not understand how LCAS could be replaced efficiently from scratch. She advocated for more community awareness of LCAS and its mission, how it was different from Greenhill Humane Society, and the fact it could receive tax deductible donations.

Julie McDonald asked the committee to continue the City's contribution to LCAS. She commended its evolution to a no-kill facility. She believed it would be irresponsible to move forward as proposed. She had seen no date for a Request for Proposals. Greenhill Humane Society could not fill the need now met by LCAS. She objected that there were no animal welfare representatives working with staff on alternative service delivery methods.

Ms. Syrett closed the public comment period.

Ms. Ortiz thanked those who offered testimony.

Mr. Pryor also thanked those who offered testimony. He reminded them that much of the City's funding was from other sources and came with strings attached. Funding dedicated to transportation or public art could not be spent on anything else or the City would be taken to court. The amount of discretionary money in the budget was quite small.

City Manager Ruiz clarified for the record that the budget did not contemplate changes to the Spay and Neuter Clinic.

Mr. Poling thanked those who offered testimony regarding LCAS and acknowledged the commitment required of volunteers. He suggested the committee could employ General Fund money now allocated to specific funds such as the Road Fund to mitigate the reductions proposed for the branch libraries. He asked that the committee schedule specific discussion of that topic.

Mr. Farr requested an estimate of the City's return on its investment in LCOG dues.

III. FIRE SERVICES

Chief Groves led the committee through a PowerPoint presentation entitled *Fire Company Closure*. Committee members asked questions clarifying the information presented.

Mr. Pryor asked Chief Groves for data showing how often the department needed to dispatch both the engine and the truck from Station #2. Chief Groves agreed to provide that information. He said that happened frequently. Under the proposed scenario, the department would pull the next closest engine.

Ms. Ortiz requested data regarding the percentage of time that the companies affected by the proposal responded to the Trainsong area. Chief Groves agreed to provide that information. He added that part of the area in question was covered by the Danebo station and no neighborhood was completely covered by any single fire station.

Ms. Syrett called for a brief break.

IV. COMMITTEE DISCUSSION

Ms. Syrett solicited committee discussion of the proposed budget strategy and related topics.

In response to a question from Mr. Barofsky, City Manager Ruiz suggested that if several committee members were uncomfortable with a proposed reduction they could direct him to return with other

options. He anticipated that staff would come back with an ongoing reduction to replace a proposed restoration. If the committee had ideas for one-time funding, staff would follow up on possible sources and the committee could suggest sources as well. He cautioned the committee that the remaining options were smaller in number at this point. He confirmed that the same process was applicable for recommended additions or restorations using marginal working capital, adding it would be better to hear those proposals now.

Referring to the contemplated reductions in branch library hours, Ms. Ortiz asked if there had been any community discussion of another local library operating levy. Ms. Grube recalled that a previous council decided to absorb the last levy in the General Fund because it believed operations should not be funded by short-term levies, a decision which contributed to the City's current budget shortfall. She had heard no community discussion about a levy although she was occasionally asked that question.

Mr. Poling was unwilling to spend one-time money on ongoing services and would not support such suggestions. He reported he discussed the proposed reduction in library branch hours with Ms. Hammitt, who provided him with some other options, all of which he found unacceptable because they took money away from another program. He asked if there was a way to cut the number of hours reduced or a different funding option. He suggested it might be time to time to revisit the issue of another library operating levy.

Ms. Syrett requested a more detailed presentation on the proposal to reduce library branch hours. What amount did it save, and what impact did it have on the service and staff.

City Manager Ruiz offered a fuller presentation on the proposal to reduce branch library hours. Ms. Ortiz asked what amount of money it would require for the City to operate full-time branches.

At the request of Ms. Syrett, City Manager Ruiz provided more information on LCAS. He reported that in response to committee and council direction, City staff began discussion with Lane County and others in the community about the structure of Animal Services. He reminded the committee that Lane County departments had been directed to prepare budgets reflecting a minimum 25 percent reduction, which would reduce LCAS' budget by about \$150,000. Knowing that City Manager Ruiz would recommend a reduction in the City's contribution to LCAS, the City formed a task team to develop another model. He promised more details in the upcoming presentation.

Ms. Syrett noted that some of the committee's public input suggested reductions to the Hult Center rather than the library, so she had asked Ms. Grube to provide a presentation on the Hult Center and its relationship to the General Fund.

Noting that City Manager Ruiz had highlighted additions to public safety in his strategy, Ms. Syrett asked him to identify any additions that were not mentioned. City Manager Ruiz agreed, adding it would be a short list.

Responding to a question from Mr. Brown, Ms. Cutsogeorge indicated that revenues from the sale of 858 Pearl Street went to the Facilities Reserve, the revenues from the Moss Street vacation went to the Road Fund, and the City had yet to receive the revenues from the sale of the Franklin Boulevard property.

Ms. Miller said she was wary of reductions in service areas that leveraged other dollars and volunteer hours. She suggested LCAS was one such service. She asked about volunteer utilization at the main and branch libraries and whether the use of additional volunteers would allow the City to retain its current

branch library hours. She asked staff if there was a reason the library drop boxes could not be left open after hours. Ms. Grube responded that people left things in the drop boxes that jeopardized the safety of the buildings.

Mr. Farr requested information on the cost of operating the main library for one hour versus the cost of operating a branch library for one hour. Referring to Chief Groves' presentation, which referenced Maslow's Hierarchy of Needs, Mr. Farr indicated that he would keep the hierarchy in mind throughout the budget process.

Mr. Smith requested executive staff input into any new proposal to revise the budget. He hoped that the potential of new revenues was still on the table.

Ms. Clinton was very concerned about the proposal to reduce branch library hours, in part because they offered low-income residents access to computers and the Internet, which was critical for job seekers. She requested information about the utilization of branch library computers. Ms. Clinton reported that she had reviewed the proposed reductions to determine the percentage share of the total \$4.4 million reduction for each, and expressed concern that the reduction for Ridgeline natural area maintenance represented less than one percent of that total while the reduction for the library represented thirteen percent. She questioned the equity of that.

Mayor Piercy believed that the City needed to clear with residents about the intention of its budget reductions and the actions it contemplated to mitigate the loss of services, replace services, or restore services. She cited Animals Services as an example, saying she did not think people understood that it was not the City's intent to eliminate the service or provide inferior services, but rather that service delivery might occur in a different way that still provided basic services and allowed the community to retain valued related services that were threatened. The City was not abandoning the services, but attempting to provide them in a way that was true to the City's goals and values.

Mr. Pryor left the meeting.

Ms. Taylor suggested the committee consider licensing cats, which she believed would generate a lot of revenue. She did not believe any reductions should be made to main Library services, which served the entire community.

Responding to a question from Mr. Barofsky about the funding allocated for Occupy Eugene, City Manager Ruiz indicated that unspent money remained in the fund of origin. He intended to return to the council to determine where it wished to direct the remaining money. Mr. Barofsky reminded the committee that the money in question was allocated by the Budget Committee for other purposes and subsequently redirected by the council to underwrite the City's costs of responding to Occupy Eugene. He hoped that the funding was allocated to the uses originally approved by the committee.

Mr. Barofsky indicated that the service Kids First was a high funding priority for him. He believed that it warranted one-time funding.

Ms. Ortiz asked if staff had an estimate for the property taxes that would be realized by the sale of the property at 1162 Willamette Street. City Manager Ruiz said he would follow up on the question.

Responding to a question from Ms. Ortiz, City Manager Ruiz anticipated that the City would continue to fully partner with both Lane Regional Air Protection Agency (LRAPA) and LCOG and was engaged in

conversations with those agencies now. Up to this point the City had been able to keep its partners whole but now had to share some of its sacrifice with them. He recommended that the City determine its budget on the basis of council goals. He anticipated that Lane County would have more budget shortfalls than Eugene could possibly fill. If there were things the City wished to help the County with after its budget was approved and money was available, the council could act through supplemental budgets.

Mr. Rust concurred with Mr. Farr about Maslow's Hierarchy of Needs. He suggested that placed Kids First over LRAPA. He concurred with Ms. Clinton's remarks about the percentage reduction assigned to parks maintenance and questioned how the reduction was arrived at. He was also interested in information about park volunteerism. Mr. Rust was also interested in exploring new revenue options. He liked the idea of cat licensing but thought enforcement would be challenging.

Mr. Farr noted that the funding allocated by the council for Occupy Eugene was roughly the same as the cost of a fire company and suggested that such *ad hoc* budget allocations by the council had a far-reaching effect.

Ms. Syrett agreed with Ms. Clinton it was important to consider proportionality. She pointed out, however, that in many cases a service was funded by a dedicated fund and its overall reliance on the General Fund was lower. She said that because employees were funded by different funds, across-the-board reductions in salaries and benefits did not necessarily help with the condition of the General Fund. City Manager Ruiz concurred. Speaking to the question of proportionality, City Manager Ruiz said it was not his intention to spread reductions among services equally; he proposed a budget intended to meet the council's goals through the triple bottom line perspective while being very strategic. One of his considerations was how the City could we do things differently and save money or scale back services in a manner that allowed them to be restored later when money was available.

Ms. Syrett appreciated committee members bringing up the issue of new revenues. She said while that was ultimately a council decision she thought the council needed citizen support. She believed it was challenging for the committee to have that conversation while contemplating the budget, but she wanted to see it occur.

Mayor Piercy emphasized the interconnectedness of City services such as libraries and parks, their relationship to resiliency and prevention, and their importance in a recession. She said the need was so great the City could not fill it no matter how compassionate the committee was. She believed the services the City was mandated to provide could be applied to those needs and were applied to those needs on a daily basis.

Mr. Beeson wanted more information about potential new revenues. He appreciated that the budget demonstrated sensitivity to recessionary conditions but suggested that fee increases could be greater. He suggested that such increased revenues could contribute to a more sustainable budget going forward.

Mr. Poling wanted the City to be careful about adding volunteers to do more work in light of the City's bargaining unit contracts. He questioned what the City was adding to the community's carbon footprint by reducing branch library hours and asked if that could be quantified.

Ms. Syrett suggested that prior to the manager's formal budget presentation the committee seek consensus around certain adjustments it wished to see him make. She envisioned the same process for committee-initiated proposals. The committee had no objection.

Ms. Syrett observed that the committee was not bound by council goals but she believed it would reach a better outcome if it kept them in mind.

City Manager Ruiz encouraged early, definitive committee input.

Mr. Barofsky concurred with City Manager Ruiz and advocated for formal motions if necessary to give the manager the direction he needed. Ms. Syrett said she did not intend to discourage members from offering motions.

Ms. Ortiz, seconded by Mr. Farr, moved to direct the City Manager to put back the money for the Fire Department until the council had the opportunity to meet as the Joint Elected Officials to see the work that had been done.

City Manager Ruiz suggested that he return to the committee with the tradeoffs involved before the committee took formal action.

Ms. Syrett determined there was committee support for the request reflected in the motion. No formal vote was taken.

Mr. Poling suggested to City Manager Ruiz that he would probably have to go through the same exercise for the library, Kids First, and Animal Services. City Manager Ruiz concurred. He said staff would return with a menu of options.

Ms. Syrett anticipated that she would likely request similar options for human services funding.

Mr. Barofsky suggested that Ms. Ortiz's motion implied the City might have to bridge the budget gap for Fire Services with one-time moneys for another year.

Mr. Smith asked that staff provide the committee with a short description of the impact of recommended budget changes on citizens and services.

V. INFORMATION REQUESTS, NEXT STEPS

There were no additional information requests.

ADJOURN

Ms. Syrett adjourned the meeting at 8:40 p.m.

(Recorded by Kimberly Young)