

# MINUTES

Eugene Budget Committee  
McNutt Room—Eugene City Hall—777 Pearl Street  
Eugene, Oregon

May 18, 2011  
5:30 p.m.

**PRESENT:** Claire Syrett, Chair; Shanda Miller, Vice Chair; George Brown, Mike Clark, Pat Farr, Andrea Ortiz, George Poling, Chris Pryor, Ramin Shojai, Doug Smith, Betty Taylor, Alan Zelenka, members; Mayor Kitty Piercy; City Manager Jon Ruiz; Assistant City Manager/Planning and Development Director Sarah Medary; City Attorney Glenn Klein; Central Services Director Kristi Hammitt; Fire & EMS Chief Randy Groves; Police Chief Pete Kerns, Public Works Director Kurt Corey; Library, Recreation, and Cultural Services Director (AIC) Renee Grube; Mia Cariaga, Larry Hill, Sue Cutsogeorge, Twyla Miller, Pavel Gubanikhin, Central Services Department; Mike Magee, Library, Recreation, and Cultural Services; Lori Kievith, Eugene Police Department; Scott Luell, Planning and Development Department.

**ABSENT:** John Barofsky, Mary Ann Holser, Terry McDonald, members.

## I. OPENING REMARKS

Ms. Syrett called the meeting of the Eugene Budget Committee to order.

## II. MOTIONS, DISCUSSION, AND COMMITTEE ACTION

Ms. Syrett thanked City Finance staff for its response to the public testimony requesting that the committee enhance Adaptive Recreation services with the addition of one full-time staff and a new van. The staff response indicated the enhancement would require \$83,000 in ongoing funding and a one-time expenditure of \$72,000. She did not think the committee would be able to fund the request but encouraged resident Robert Roth, who proposed the enhancement, to continue to advocate for the funding.

Ms. Syrett, seconded by Ms. Ortiz, moved to reallocate \$75,000 of \$1.3 million proposed General Fund Transfer for fleet replacement and \$75,000 of \$685,300 proposed for Ambulance Transport Fund transfer for a total of \$150,000 to the Human Services Commission (HSC) to fund HSC priority services.

Ms. Syrett suggested the motion aligned with City Council priorities regarding the chronically homeless and a safe community. She noted the interjurisdictional nature of the HSC and the fact the City helped to set its priorities. The HSC provided residents with a continuum of services that reduced public safety costs, kept the community cleaner and safer, and contributed to the local economy. The need for such services had greatly increased and showed no signs of decreasing.

Mr. Farr arrived.

Responding to a question from Mr. Poling about the impact of the motion, Mr. Corey said the fleet replacement budget was predicated on a carefully structured model that accounted for both operations & maintenance (O&M) and vehicle replacement costs to optimize the cost of managing the fleet. The annual General Fund transfer was informed by that model, and the model suggested an optimal transfer of about \$1.5 million. Mr. Corey pointed out that the City did not always follow the model; the City transferred less than \$900,000 to the fund in FY09; \$145,000 in FY10; and \$1.2 million in FY11. He did not think the motion would affect the replacements needed in FY12, but would impact the City's ability to replace vehicles in future years. As a result, the model would need to be adjusted and the annual transfer requirement would be higher. In response to a follow-up question from Mr. Poling, Mr. Corey confirmed that the City used other funds when possible for vehicle replacement.

Mr. Poling asked about the impact of the motion as it regarded the Ambulance Transport Fund. Chief Groves responded that ambulances cost about \$250,000. The ambulance fleet was aging, and the City had not replaced an ambulance since 2007 or put money aside for ambulance purchases for two years because of budget deficits. He reported that the City was preparing a Request for Proposals (RFP) for ambulance replacements. He emphasized the critical nature of ambulances, the fact they were in continual operation, and that demand for ambulance services was growing for many reasons. He cited changes in Medicare, Medicaid capitation, and reduced Medicaid reimbursements as reasons for the reduced state of the Ambulance Transport Fund.

Mr. Poling asked if the Telecommunications Fund could be used to purchase ambulances. Chief Groves indicated he had not examined that possibility, and noted that the Telecommunications Fund was used to purchase mobile computers and radio equipment used in ambulances.

Mr. Zelenka arrived.

Mr. Poling, seconded by Mr. Farr, moved to amend the motion to change the funding source so the money in question came from defunding the City's contribution to the Lane Regional Air Protection Agency (LRAPA), with the recommendation to the council that Eugene not pull out of LRAPA but continue to participate in LRAPA such as Lane County, Springfield, and Cottage Grove did, which were governmental agencies not putting any money into LRAPA but were still participating.

Mr. Poling believed the funding allocated to LRAPA would accomplish more for the community if redirected to human services. He still wanted to be able to take advantage of LRAPA's services in the same way as Lane County and Cottage Grove but also wanted to maintain the Ambulance Transfer Fund because of the community's need for ambulances.

Ms. Ortiz indicated opposition to the amendment because of her support for LRAPA.

Responding to a question from Mr. Clark, Mr. Klein said both State statute and an intergovernmental agreement governed LRAPA. The IGA spoke to funding and participation. Mr. Clark liked the idea of local control and the fact the City's standards were slightly more stringent than those imposed by the Department of Environmental Quality. However, he found Mr. Poling's arguments in support of the amendment to be compelling.

Mr. Pryor suggested the committee should reach agreement on the amount required by the HSC before deciding on a funding source. He emphasized the scope of the challenge faced by the HSC and advocated for a comprehensive discussion of adequate long-term funding for the HSC.

Mr. Pryor determined from Assistant City Manager Medary that the City's contribution represented about ten percent of LRAPA's budget.

Mr. Pryor believed vehicle replacement was important but interpreted Mr. Corey's remarks as suggesting that the City could live without the transfer for one year if needed.

Mr. Farr did not like that Eugene was the only municipality in Lane County to fund LRAPA. He favored the motion.

Ms. Taylor, a former LRAPA board member, noted the long-time financial stress experienced by LRAPA and its staff. She said LRAPA managed its money responsibly and she believed it would be irresponsible to defund the agency because of the actions of Springfield and Lane County. She recalled some of the worthwhile initiatives spearheaded by LRAPA. She did not support the amendment.

Ms. Syrett did not support the amendment and thought it unfortunate that it juxtaposed one important service with another important service. She said the fact the funding to LRAPA went to an interjurisdictional effort did not mean Eugene citizens did not benefit from the agency's services. The work of LRAPA had a direct effect on community health. Ms. Syrett did not think it was productive to defund LRAPA because other agencies had.

Mr. Brown opposed the amendment. He found it inconceivable to consider defunding an agency that protected the environment.

Mr. Zelenka opposed the amendment. He said the City should be doing more to support local efforts to improve air quality no matter the participation of other agencies. He thought it would be a mistake to turn responsibility for air quality over to the State. Mr. Zelenka pointed out the other agencies indicated they were challenged to provide funding now but he believed they would provide funding again when their budget outlooks improved.

Mr. Pryor suggested the amendment might not put LRAPA out of business but it could cripple the agency to a degree that hampered its ability to deliver services effectively.

Mr. Farr believed the amendment sent a message to the City's intergovernmental partners in LRAPA that they could not just step away from the table, secure the same level of services, and expect Eugene to pay.

Mr. Clark observed that Lane County's budget situation was projected to be much worse in future years and he did not anticipate that the County would fund the service in the future.

Mr. Poling said the amendment did not turn over responsibility for air quality to the State, did not eliminate LRAPA, and did not reduce air quality. The amendment was a matter of money. He pointed out that Eugene, like other local jurisdictions, faced budget reductions, but it was always up to Eugene to fund the services that everyone took advantage of. He did not think the funding in question would make much of a difference to LRAPA, but it would have a significant impact on the services funded by the HSC and would preserve the Ambulance Transfer Fund.

The amendment to the motion failed, 8:1:3; Mr. Poling, Mr. Clark, and Mr. Farr voting yes, and Mr. Shojai abstaining from the vote.

Ms. Syrett called for discussion on the original motion. She pointed out her motion would leave \$610,000 in the Ambulance Transport Fund as well as \$4,900,000 in the Fleet Replacement Fund. She reviewed the priority services that would be funded by HSC if it received the money.

Ms. Ortiz wanted the money to go to shelter for Eugene residents. She cited rapid rehousing for domestic violence, the Egan Warming Center, and overnight shelter for people on the street as services she wished to fund. Ms. Syrett pointed out that Ms. Ortiz, as a member of the HSC, would help direct the allocation of funding. She reported that Lane County had increased its funding for the HSC with the proviso that \$30,000 be directed to the Egan Warming Center.

Ms. Ortiz proposed a friendly amendment that the amount coming from each source be reduced to \$50,000 for a total of \$100,000. Ms. Syrett accepted the friendly amendment.

Speaking to Ms. Ortiz's interest in having the funding designated for shelter for Eugene residents, Ms. Syrett pointed out the shelter system was cohesive and not geographically divided; people from one city could be referred to housing in the other.

Ms. Taylor opposed the motion. She believed that Eugene gave more than its share to human services and always had. In addition, the committee frequently allocated additional money to human services on a one-time basis and that funding was frequently renewed. She believed the City needed to maintain its assets. She pointed out that providers had other ways to raise money but the City could not hold a fund raiser for ambulance replacements.

Mr. Pryor did not want to specify the precise service to be funded but did prefer to designate the money for services for Eugene residents.

Mr. Pryor pointed out that Eugene residents needed help and there was not enough money to help them. He wanted to do what he could now and work out the equity issues later. He acknowledged he did not like the idea of contributing more than the other partners in the HSC. However, if the matter came down to protecting the organization's assets or helping people, he would help people every time.

Mr. Zelenka agreed with Mr. Pryor, saying he also wished to direct the added funding to Eugene residents.

Ms. Syrett clarified that Mr. Pryor was proposing to fund HSC priority services for Eugene residents. Ms. Syrett and Ms. Ortiz accepted that as a friendly amendment.

Mr. Clark, seconded by Mr. Farr, moved to amend the motion to designate \$100,000 for shelter-related services to be decided by HSC.

Mr. Clark wanted to ensure the funding was actually directed toward shelter. He was unsure which need was the greatest, so he preferred to refer that task to the HSC.

Assistant City Manager Medary called the committee's attention to the HSC's unfunded emergency shelter services, which included Shelter Care and the Egan Warming Center.

Ms. Syrett and Ms. Ortiz accepted the amendment as a friendly amendment to the motion on the floor.

Mr. Farr, seconded by Mr. Zelenka, moved to amend the motion to increase the amount to be allocated to \$150,000.

Ms. Syrett and Ms. Ortiz accepted Mr. Farr's motion to amend as a friendly amendment to the motion and the amount was \$150,000.

Ms. Miller supported the motion at the higher amount. She noted that the additional dollars allocated by Eugene to the HSC in FY11 had been shifted to CAHOOTS program and she believed the additional funding was justified.

Ms. Syrett concurred with Ms. Miller's remarks. She appreciated the discussion and friendly amendments.

The motion passed, 10:2; Ms. Taylor and Mr. Poling voting no.

Ms. Smith did not want the concerns expressed by Mr. Poling and Mr. Clark regarding the LRAPA situation to be forgotten. He called for LRAPA to provide Eugene with a statement on the effect of defunding the agency, information about what the money provided by Eugene did for its citizens, and suggestions for strategies and tactics that could be used to persuade Springfield and Lane County to contribute funding. Ms. Ortiz offered to forward Mr. Smith the desired information and encouraged him to attend an LRAPA meeting.

Ms. Syrett called for a brief break. She reconvened the meeting and called for additional motions.

Mr. Clark, seconded by Mr. Zelenka, moved to recommend to the City Council that upon receipt of unanticipated EWEB CILT revenue, up to (at the manager's discretion) a total of \$300,000 to be used in the FY12 and FY13 budget years for services provided by Buckley House.

Mr. Clark reminded the committee that the City had purchased a second CAHOOTS van, and that van needed Buckley House's sobering center as a resource to take people. He noted uncertainties about the County's budget outlook and advocated for the City to begin to work more closely with the County on new and innovative ways to provide services. He said the motion represented a one-time opportunity to stabilize services. It would give the manager the flexibility to supplant Lane County funding if it was not forthcoming and time to consider other funding options.

Ms. Taylor suggested the City compare competing needs when it received the CILT funds. She suggested the money might be better spent on other needs, such as utility assistance for residents, for example.

Responding to a question from Ms. Syrett, Mr. Clark clarified the motion authorized but did not require the manager to spend the money. The total allocation could be used in either year. His intent was to keep Buckley House whole.

Mr. Zelenka believed the motion represented an appropriate use of the money in question and pointed out it was contingent on several events. He supported Mr. Clark's intent to retain the current funding level for Buckley House. He agreed that the service was important to the success of the CAHOOTS program.

Mr. Poling agreed with Ms. Taylor. While he knew from first-hand experience that Buckley House was a very valuable service, he believed a more comprehensive discussion of competing needs was in order.

The motion passed, 9:3; Ms. Taylor, Mr. Poling, and Mr. Shojai voting no.

Ms. Ortiz moved to keep the staffing at Fire Station #2 at current levels with the City Manager to find the funds. The motion died for lack of a second.

The committee briefly discussed the impact of the reduced staffing at Fire Station #2. Chief Groves shared his reasons for the proposed reduction, pointing out the station was a multi-company station surrounded by other stations, and those units would be able to respond to calls. He acknowledged that the situation was not ideal. He was trying to make the best operational decision possible within budgetary limits. Chief Groves pointed out the reduction of a company allowed the department to add a needed ambulance.

City Manager Ruiz summarized the actions the committee took with an impact on the proposed budget.

Ms. Miller observed the committee had increased the proposed budget by \$1.5 million and that money would not be available to fill the budget gap. She acknowledged the additional challenge that meant to staff and acknowledged staff's hard work in preparing the budget.

Ms. Syrett, seconded by Mr. Clark, moved that the Budget Committee recommend to the Eugene City Council the FY12 Budget for the City of Eugene that consists of the City Manager's Proposed FY12 Budget, including the property tax levies and/or rates contained therein, amended to reflect appropriations for prior year encumbrances and prior capital year projects, and amendments.

The motion passed, 11:1:0, Mr. Shojai abstaining from the vote.

Ms. Syrett, seconded by Mr. Clark, moved that the Budget Committee recommend to the City Council, acting as the Urban Renewal Agency Board of Directors, the FY12 Budget for the Urban Renewal Agency that consists of the City Manager's FY12 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. The motion passed, 11:1:0; Mr. Shojai abstaining from the vote.

Mr. Farr left the meeting.

Mr. Pryor expressed concern that the committee continued to discuss the inadequacy of funding for human services yearly, and yearly continued to make *ad hoc* allocations for human services based on individual pleas for money. He wanted to stop that cycle and proposed that the committee recommend to the City Council that it pursue options to secure an increased level of stable and long-term funding for human services.

Mr. Pryor, seconded by Ms. Syrett, moved that the Budget Committee make a recommendation to the City Council that the council pursue a mechanism for securing an increased level of stable and long-term funding for human services.

Mr. Poling appreciated the intent of the motion but did not think it would accomplish much in the long-term. He believed no matter what proposal was adopted, special interests would continue to approach the committee for money outside the HSC funding process.

Mr. Clark also expressed appreciation for the intent of the motion. However, he believed that the problem, like the public safety problem, was a regional problem and he suggested that public safety and human services were appropriate topics for regional discussions.

Ms. Syrett supported the motion but agreed with Mr. Poling it was unlikely to stop special requests. Speaking to Mr. Clark's comments, Ms. Syrett did not think the motion precluded the City from engaging other jurisdictions in the region in discussion.

Mr. Brown determined from Mr. Poling that the "mechanism" mentioned in the motion could be a subcommittee or the council itself.

Ms. Taylor, seconded by Ms. Miller, moved to substitute the motion with a motion to form a subcommittee composed of the citizen members of the Budget Committee to look at all aspects of the budget soon and make recommendations to the City Council about additional funding or changes in funding or deletions in funding so the council could discuss its recommendations prior to next year's budget presentation.

City Manager Ruiz recalled the work that had occurred through the recent Eugene Counts process, a community priority-setting exercise staff had attempted to reflect in the budget. He suggested staff could share that information about that process with the committee sufficiently early in the fiscal year in a way that allowed its discussion to inform the development of the next budget.

Mr. Clark, seconded by Ms. Ortiz, moved to extend the meeting to 8:10 p.m. The motion passed, 10:1; Mr. Poling voting no.

Mr. Shojai supported Ms. Taylor's motion because he believed it would give the committee an opportunity to do a more thorough analysis of the budget that went beyond the budget numbers. He wanted more analytics to apply to the numbers to give him greater context for the budget. He believed much more analysis could be done. Ms. Miller shared Mr. Shojai's interest.

Mr. Zelenka left the meeting.

Ms. Syrett encouraged Mr. Shojai to meet with City program staff to discuss any questions he might have.

Ms. Syrett did not think Ms. Taylor's motion was a substitute motion because it went beyond the narrow focus of Mr. Pryor's motion. She interpreted Ms. Taylor's motion as more reflective of the committee's early discussion of possible tasks for the Budget Citizen Subcommittee. She did not support the motion if it superseded Mr. Pryor's motion.

Mr. Brown indicated interest in both the concepts under discussion.

City Manager Ruiz encouraged the committee to focus on policy issues and to consider the results of Eugene Counts and how the City was making progress in regard to those priorities. He pointed out that staff was paid to do the analysis mentioned by Mr. Shojai and the committee provided additional value by focusing on what the City was trying to achieve and if it was in line with the community's priorities. He emphasized the amount of time staff spent putting the budget together, and was concerned that added tasks would diminish the quality of that work. He invited committee members interested in the analytical information behind the budget to contact staff.

The substitute motion failed, 6:4; Ms. Taylor, Ms. Miller, Mr. Brown, and Mr. Shojai voting yes.

The motion passed, 7:1:2; Ms. Taylor and Mr. Poling voting no, and Mr. Shojai abstaining from the vote.

**ADJOURN**

Ms. Syrett adjourned the meeting at 8:11 p.m.

*(Recorded by Kimberly Young)*