



Eugene City Council

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EUGENE CITY COUNCIL AGENDA

February 10, 2025

5:00 p.m. CITY COUNCIL WORK SESSION

City Council Monday work sessions are held in hybrid format using in person and virtual meeting technology. Information about online or other options for access and participation will be available at <https://www.eugene-or.gov/3360/Webcasts-and-Meeting-Materials>

**Meeting of February 10, 2025;
Her Honor Mayor Kaarin Knudson Presiding**

Councilors

Greg Evans, President
Mike Clark
Matt Keating
Jennifer Yeh

Lyndsie Leech, Vice President
Eliza Kashinsky
Randy Groves
Alan Zelenka

5:00 p.m. CITY COUNCIL WORK SESSION

1. WORK SESSION: Council Budget Priorities Workshop (Part 2)

The Eugene City Council welcomes your interest in these agenda items. This meeting location is wheelchair-accessible. For the hearing impaired, an interpreter can be provided with 48 hours' notice prior to the meeting. Spanish-language interpretation will also be provided with 48 hours' notice. To arrange for these services, contact the receptionist at 541-682-5010. City Council meetings are telecast live on Metro Television, Comcast channel 21, and rebroadcast later in the week.

El consejo de la Ciudad de Eugene agradece su interés en estos asuntos de la agenda. El lugar de la reunión tiene acceso para sillas de ruedas. Se puede proveer a un intérprete para las personas con discapacidad auditiva si avisa con 48 horas de anticipación. También se puede proveer interpretación para español si avisa con 48 horas de anticipación. Para reservar estos servicios llame al 541-682-5010. Las reuniones del consejo de la ciudad se transmiten en vivo por Metro Television, Canal 21 de Comcast y son retransmitidas durante la semana.

For more information, contact the Council Coordinator at 541-682-5010,
or visit us online at www.eugene-or.gov.

EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



Work Session: Council Budget Priorities Workshop (Part 2)

Meeting Date: February 10, 2025

Department: Central Services

www.eugene-or.gov

Agenda Item Number: 1

Staff Contact: Twylla Miller

Contact Telephone Number: 541-682-8417

ISSUE STATEMENT

This is the second Workshop focusing on budget priorities. This Workshop provides information on budget gap strategies based upon City Council direction from the January 15, 2025 meeting to bring back two scenarios that address a \$11.5 million gap. The first scenario (Scenario A) models proportional budget reductions spread across the City's six departments based on their current percentage of the general fund. The second scenario (Scenario B) will model proportional budget reductions while excluding reductions to core fire and police services. The scenarios will provide examples of programs and services that may be reduced if Council chooses not to enact the proposed Fire Service Fee (Attachment A). The City Council is requested to provide direction related to new revenue and/or scenarios which will be incorporated into the 2025-2027 Proposed Budget that will be presented to the Budget Committee on April 30, 2025.

BACKGROUND

The General Fund continues to have a structural gap with expenditures growing at a faster pace than revenues. The 2023-2025 Adopted Budget had a revenue placeholder of \$8.3 million in the second year of the biennium, which was addressed on the June Supplemental Budget with a combination of budget reductions and revenue adjustments. Additionally, the City Council adopted an ordinance expanding the definition of stormwater services to add the operations and maintenance of City-owned parks and open spaces on June 24, 2024. Expanding Stormwater Service Fee eligibility to all Parks services allows for a stormwater fee increase to be administratively implemented to generate approximately \$1 million in stormwater fee revenue to fund parks and open spaces expenses currently funded by the General Fund. The administrative process to enact the fee occurred this fall.

The critical funding gap solution presented in the spring also included the concept of Council adopting an ordinance to create a Fire Service Fee (Attachment A) which would provide dedicated funding to stabilize and enhance fire services. This solution or other budget adjustments will need to occur in the first year of the next biennium that begins July 2025, to provide continued stability. For more information on budget strategies implemented in recent budget cycles, see page 8 of Attachment B, which is the information memo provided to the Revenue Advisors from their meetings in the winter and spring of 2024.

At the November 20, 2024 Work Session to discuss community feedback related to the Fire Service Fee received at the November 18, 2024 Public Hearing, Council paused staff work on the proposed Fire Service Fee and directed the City Manager to bring a financial condition update to Council on December 11, 2024 to provide updated information prior to January 2025 budget priority Workshops.

On December 9, 2024 the City Council held a work session on Climate and Sustainability Revenue Funding Options to review potential revenue sources as identified by the Revenue Advisors for funding decarbonization and greenhouse gas emission reduction efforts with an emphasis on serving low-income households, Black, Indigenous, and People of Color and other disadvantaged households. Councilors Yeh and Leech indicated interest in considering an increase in the Natural Gas Supplier Tax for this purpose and asked to have this topic included as part of the Council Workshops on budget priorities in January 2025.

The City Council also received a financial condition update at their December 11, 2024 work session. Information was provided on forecast drivers and impacts on the budget gap. The base forecast gap remains at almost \$10 million which grows to \$11.5 million annually if areas previously funded with one-time dollars (Animal Services, Human Services Commission funding transfer, and four limited duration Neighborhood Service Officers) are included on an ongoing basis.

At their January 15, 2025 Workshop, the City Council received information on the budget development including processes and actions taken to develop the 2023-2025 Adopted Budget, Financial Policies, information on the General Fund Gap and programs. The City Council gave direction to bring back two strategy scenarios to address a \$11.5 million gap.

On January 22, 2025, the City Manager gave an update on process, timelines and the potential paths in developing the proposed budget:

1. Implement the Fire Service Fee to stabilize \$8 million in existing fire services, add \$2 million in new fire services, and implement \$3.5 million of reductions in General Fund services.
2. Implement \$11.5 million of reductions in General Fund services.

At the February 10, 2025 City Council Work Session, potential reduction strategies for the two scenarios will be presented as Council considers potential reductions and the proposed Fire Service Fee. The tables below show the potential impact to departments under the two scenarios requested by Council: Scenario A - Proportionate reduction by percentage of General Fund operating budget and Scenario B - Reduction by department, excluding reductions to core police and fire services:

Department	GF Ongoing Operating Budget	Budget (%)	Scenario A \$11.5M	% of Revised Reduction	Scenario B \$11.5M
Central Services	52,865,125	15.0%	1,730,000	29.4%	3,377,000
Fire and Emergency Medical Services	78,674,528	22.4%	2,574,000	8.9%	1,025,000
Library Recreation & Cultural Services	56,951,173	16.2%	1,863,000	31.6%	3,638,000
Planning and Development	21,723,046	6.2%	711,000	12.1%	1,388,000
Police	131,945,334	37.5%	4,317,000	12.8%	1,477,000
Public Works	9,311,798	2.6%	305,000	5.2%	595,000
TOTAL	351,471,004	100.0%	11,500,000	100.0%	11,500,000

Potential programmatic reductions for Scenarios A and B will be provided at the February 10, 2025 Work Session. The City Council will be asked to provide direction to the City Manager regarding the development of the 2025-2027 Proposed Budget which will need to include either new revenue or reductions to meet the General Fund gap.

RELATED CITY POLICIES

[Strategic Plan](#) Focus Area – Organizational wellbeing: To create a sustainable budget with balanced revenues and expenditures that provides funding for necessary services in the community.

PREVIOUS COUNCIL DIRECTION

[September 14, 2022 Work Session](#)

This session was an information update on the condition of the General Fund and the future financial outlook.

[February 27, 2023 Work Session](#)

This session provided a high-level budget update and a recommendation for a revenue team to develop funding strategies for unfunded services.

[April 12, 2023 Work Session](#)

This session provided an updated Revenue Committee proposal to develop funding strategies for unfunded services.

[April 26, 2023 Budget Committee Meeting](#)

The City Manager presented the 2023-2025 Proposed Budget.

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May 10, 2023 Budget Committee Meeting

The Budget Committee received presentations on Alternative Response, Downtown Services, and Unhoused Services.

May 17, 2023 Budget Committee Meeting

The Budget Committee received presentations on the Fire Engine/Squad proposal, Climate Recovery, and Urban Renewal Agency (URA) Frozen Base.

May 24, 2023 Work Session

This session provided information on unfunded/underfunded service levels as Council considers a potential scope for the Revenue Committee.

June 21, 2023 Work Session

This session provided high level information on the financial condition of the City and discussion on a revised approach to addressing the structural gap in the General Fund and other funding and service prioritization needs.

July 10, 2023 Work Session

This session was a continuation of the Financial Condition and Revenue Update work session on June 21, 2023 to provide information and additional context to understand evolving financial needs and the approach for continued revenue and service prioritization discussions.

October 11, 2023 Work Session

This session included an overview of the revenue report created by staff in August 2023 and an update on the next steps for a revenue advisory team to advise the City Manager on revenue options to address funding issues.

February 26, 2024 Work Session

This session included an overview of the Revenue Advisor work to date including potential revenue options that could make sense for the range of funding issues facing the city.

April 22, 2024 Work Session

This session provided information on the current critical funding gap in the General Fund that begins July 2024. Staff presented a potential two-year solution that includes budget strategies, a park fee that could be implemented in the summer of 2024, and a fire fee that could be implemented in the next biennium.

May 13, 2024 Work Session

Council directed the City Manager to schedule a public hearing for an ordinance concerning charges for stormwater and parks service and amending Section 6.406 of the Eugene Code, 1971 with the following motion:

Councilor Keating, seconded by Councilor Groves moved to direct the City Manager to schedule a public hearing on an ordinance amending the definition of “stormwater service” to add the operation and maintenance of city-owned parks and open space as set out in Attachment A to

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this AIS. *Passed 7:1 (Opposed by Councilor Clark)*

[June 17, 2024 Public Hearing](#)

Council held a public hearing for an ordinance concerning charges for stormwater and parks service and amending Section 6.406 of the Eugene Code, 1971. One person testified on behalf of the Eugene Chamber of Commerce Local Government Affairs Council which did not take a formal position on the ordinance.

[June 24, 2024 Work Session](#)

Council adopted an Ordinance amending Section 6.406 of the Eugene Code, 1971 to expand the definition of “stormwater service” to add the operation and maintenance of city-owned parks and open spaces.

Councilor Groves, seconded by Councilor Zelenka, moved to adopt an Ordinance amending Section 6.406 of the Eugene Code, 1971 as set forth in Attachment A to this AIS.

Passed 5:2 (Opposed by Councilors Clark and Semple)

[September 9, 2024 Work Session](#)

This session was an information update on the condition of the General Fund and the future financial outlook.

[September 30, 2024 Work Session](#)

This session was an overview of financial considerations and draft Fire Service Fee proposals to raise revenue to address the critical funding gap in the General Fund.

[October 23, 2024 Work Session](#)

This session provided the Council the opportunity to review a draft ordinance assessed on developed property, based upon the square footage of buildings associated with a stormwater account.

[November 18, 2024 Public Hearing](#)

This public hearing was an opportunity for the community to provide feedback to Council on the proposed Fire Services Fee. Ten community members testified, with the majority not in support of the fee as proposed.

[November 20, 2024 Work Session](#)

This session was an opportunity for Council to discuss feedback on the Fire Services Fee from the November 18th public hearing and potential next steps.

Councilor Groves, seconded by Councilor Clark moved to direct the City Manager to return to Council on December 11 for a discussion of the City’s financial condition in preparation for a January Council workshop regarding budgeting priorities.

Passed: 5:3 (Opposed by Councilors Keating, Semple, and Zelenka)

[December 9, 2024 Work Session](#)

This session was an opportunity for Council to review potential revenue sources as identified by

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the Revenue Advisors for funding decarbonization and greenhouse gas emission reduction efforts with an emphasis on serving low-income households, Black, Indigenous, and People of Color and other disadvantaged households as directed by Council at their July 17, 2024 Work Session.

December 11, 2024 Work Session

This session was an opportunity for Council to receive a financial condition update in advance of the January City Council Workshops on budget priorities.

January 15, 2025 Work Session

This session provided Council contextual information on the budget gap, budget development, financial policies and programs.

Councilor Keating, seconded by Councilor Groves, moved to direct the City Manager to bring back \$11.5 million in potential budget reduction strategies to address the General Fund gap.

Passed: 8:0

Councilor Evans, seconded by Councilor Groves, moved to direct the City Manager to bring back two options for Council discussion. One, allocating the \$11.5 million across City departments and services based on current proportional share of the General Fund of each department and two, allocating the \$11.5 million across City departments and services in a manner that preserves core public safety services.

Passed: 8:0

January 22, 2025 Work Session

This session provided Council an update on the budget development process and timelines in relation to priorities, decisions, and development of the 2025-2027 Proposed Budget.

COUNCIL OPTIONS

1. Add a new revenue source by adopting the Fire Service Fee ordinance as set forth in Attachment A to this AIS or as revised by a majority of the Council.

OR

2. Direct the City Manager to develop the 2025-2027 biennial budget without a new revenue source.

POSSIBLE MOTIONS

1. Move to adopt an Ordinance Establishing a Fire Service Fee as set forth in Attachment A to this AIS.

OR

2. Move to direct the City Manager to develop the 2025-2027 biennial budget without a new revenue source.

ATTACHMENTS

- A. An Ordinance Establishing a Fire Service Fee and Adding New Section 6.760, 6.765, 6.770, 6.775, 6.780, 6.785 and 6.790 to the Eugene Code, 1971.

FOR MORE INFORMATION

Staff Contact: Twylla Miller, Chief Financial Officer
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Staff E-Mail: tmiller@eugene-or.gov

ORDINANCE NO. _____

**AN ORDINANCE ESTABLISHING A FIRE SERVICE FEE AND
ADDING NEW SECTIONS 6.760, 6.765, 6.770, 6.775, 6.780, 6.785, AND
6.790 TO THE EUGENE CODE, 1971.**

Section 1. Sections 6.760, 6.765, 6.770, 6.775, 6.780, 6.785, and 6.790 of the Eugene Code, 1971, are added to provide as follows:

6.760 Fire Service Fee – Purpose and Use.

(1) The provisions contained in sections 6.760 to 6.790 of this code are for the purpose of providing dedicated funding for fire and emergency medical services through the adoption of a Fire Service Fee.

(2) Fire Service Fee revenue shall only be used to fund existing and new fire and emergency medical services, to administer the Fire Service Fee, and to support the income-based assistance program authorized by section 6.785 of this code.

6.765 Fire Service Fee – Definitions.

For purposes of sections 6.760 to 6.790 of this code, the following words and phrases shall have the following meanings, unless the context requires otherwise:

Building. Improvements erected upon the land including but not limited to the following: single family homes, condominiums, accessory dwelling units, multi-unit apartment buildings, manufactured dwelling units, dormitories, attached or detached garages, barns, warehouse buildings, fraternity houses, motels/hotels, manufacturing facilities, office facilities, commercial buildings, industrial buildings, shopping centers, senior care facilities, medical facilities, educational buildings, government buildings, sports facilities, and churches.

Developed property. Real property that is located within the corporate limits of the City of Eugene, on which one or more buildings exist, and that has at least one associated stormwater service customer account.

Person responsible. The owner, agent, occupant, lessee, tenant, contract purchaser or other person having possession or control of the developed property.

Stormwater Service. The use of the city's stormwater system including, but not limited to, collection of stormwater discharged from property on which development exists and its deposit directly or indirectly into the city stormwater system. The terms "city stormwater system," "development," and "stormwater" have the meanings set forth in section 6.406 of this code.

Stormwater Service Customer. Any person who has a stormwater service account and is responsible for the payment of the charge for city stormwater service.

Total Square Footage. The cumulative total of square footage of the building (s), or portion(s) of the building(s), for which a stormwater service customer pays a stormwater service charge.

6.770 Fire Service Fee – Establishment and Obligation to Pay.

(1) A Fire Service Fee is hereby established. The obligation to pay the Fire Service Fee arises when the person responsible receives fire service benefits. It is presumed that all developed property receives fire service benefits.

(2) Unless another person responsible has agreed in writing to pay the Fire Service Fee and a copy of that written agreement is filed with the city, the person(s) paying stormwater service charges for the building(s), or portion(s) of building(s), associated with the stormwater service customer's account shall pay the Fire Service Fee.

(3) The Fire Service Fee shall be based on the total square footage of the building(s), or portion(s) of building(s), associated with the stormwater service customer's account and shall be set by the city manager using the procedures, criteria and limitations set out in section 2.020 of this code. The city manager shall review and may amend the Fire Service Fee on at least a biennial basis.

6.775 Fire Service Fee - Billing.

(1) Receipt of stormwater service will automatically initiate billing for the Fire Service Fee established by section 6.770 of this code.

(2) If the person responsible can demonstrate to the satisfaction of the city that the amount of the Fire Service Fee billed to the person responsible has been calculated based on an incorrect total square footage of the building(s), or portion(s) of building(s), associated with the stormwater service customer's account and the incorrect total square footage calculation has resulted in an overpayment by the person responsible, the Fire Service Fee billed to the person responsible shall be reduced, and the appropriate credit given (not to exceed 12 months of overpayment credit).

6.780 Fire Service Fee – Delinquencies.

Unless otherwise agreed to in writing by the city, the Fire Service Fee shall be billed monthly and if not paid within 10 days of the due date stated on the bill, the fee owed shall be deemed to be a delinquent fee. Delinquent fees may be recovered by the city using actions allowed by law, including city use of a private collection agency. Costs incurred by the city collecting delinquent fees can be recouped from the person responsible in accordance with the administrative fee order adopted by the city manager pursuant to section 2.020 of this code.

6.785 Fire Service Fee - Income-Based Bill Assistance.

A portion of the Fire Service Fee revenues shall be used to support an income-based Fire Service Fee bill assistance program. The qualifications and process for receiving Fire Service Fee bill-paying assistance shall be set by the city manager.

6.790 Fire Service Fee – Administrative Rules.

The city manager may adopt administrative rules pursuant to section 2.019 of this code in order to implement the provisions of sections 6.760 to 6.785.

Section 2. Fire Service Fee revenue shall be budgeted and accounted for in a separate fund.

Section 3. Notwithstanding Section 1 of this ordinance (providing that the Fire Service Fee shall be set by the city manager in accordance with section 2.020 of this code), the Fire Service Fee is initially established as follows:

Rate Categories Total Square Footage	Monthly Fire Service Fee Charge Per Stormwater Service Customer Account
50 – 750	\$3
751 – 1,500	\$6
1,501 – 2,500	\$10
2,501 – 3,500	\$15
3,501 – 5,000	\$21
5,001 – 10,000	\$38
10,001 – 15,000	\$63
15,001 – 30,000	\$113
30,001 – 50,000	\$200
50,001 – 75,000	\$313
75,001 – 100,000	\$438
100,001 – 150,000	\$626
150,001 – 200,000	\$876
200,001 – 300,000	\$1,252
>300,000	\$1,752

Amendments to this initially established Fire Service Fee may be made by the city manager in accordance with Section 1 of this ordinance.

Section 4. The obligation to pay the Fire Service Fee established by Section 1 of this ordinance shall not arise before July 1, 2025.

Section 5. The City Recorder, at the request of, or with the consent of the City Attorney, is authorized to administratively correct any reference errors contained herein, or in other provisions of the Eugene Code, 1971, to the provisions added, amended, or repealed herein.

Passed by the City Council this

___ day of _____, 2024

City Recorder

Approved by the Mayor this

___ day of _____, 2024

Mayor