





FY21
Proposed Budget


 City of Eugene, Oregon
 Sarah Medary, City Manager Pro Tem

May 13, 2020
Budget Committee Meeting

1



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2

The Journey

- The World Today
- FY21 Proposed Budget
- Financial Conditions
- Amendments to Proposed Budget
- Urban Renewal Proposed Budget

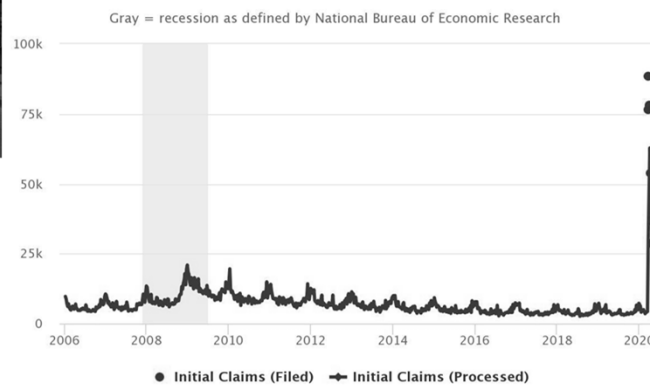


3

The World Today



Oregon's Initial Claims for Unemployment Insurance, Weekly



Source: U.S. Department of Labor, Oregon Employment Department



4

The World Today



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5

5

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6

6

The World Today

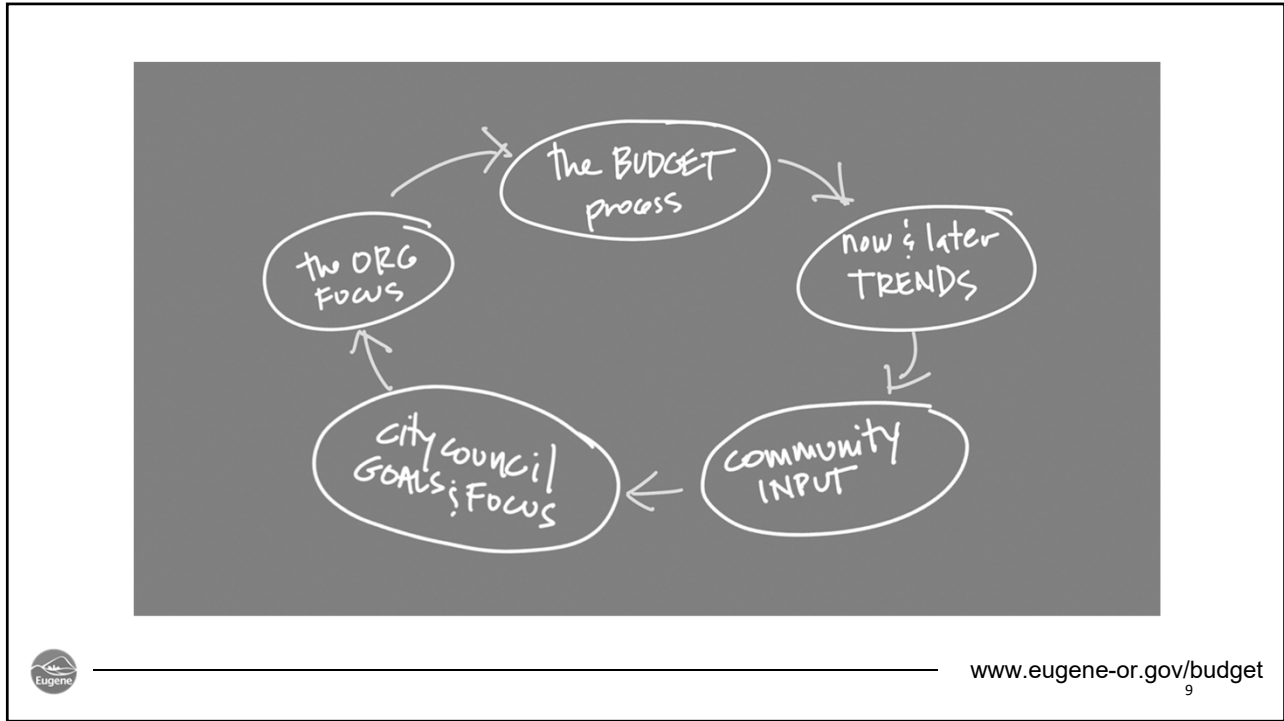


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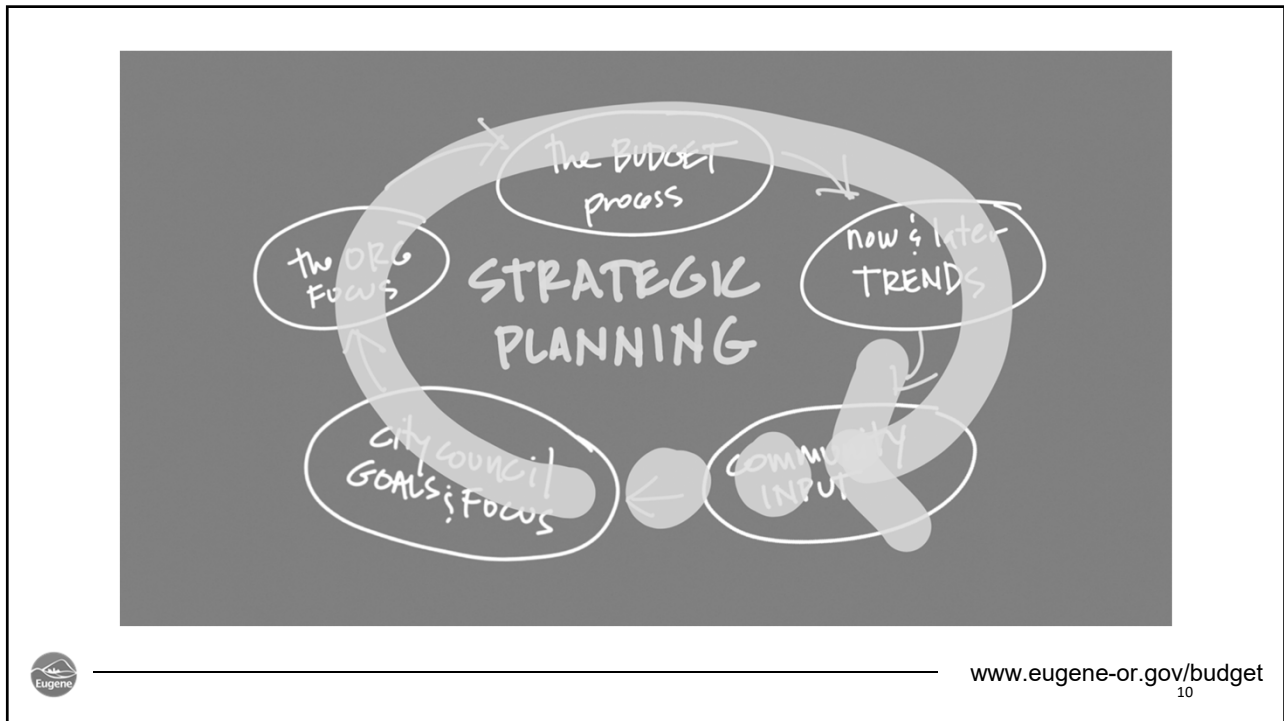
The World Today



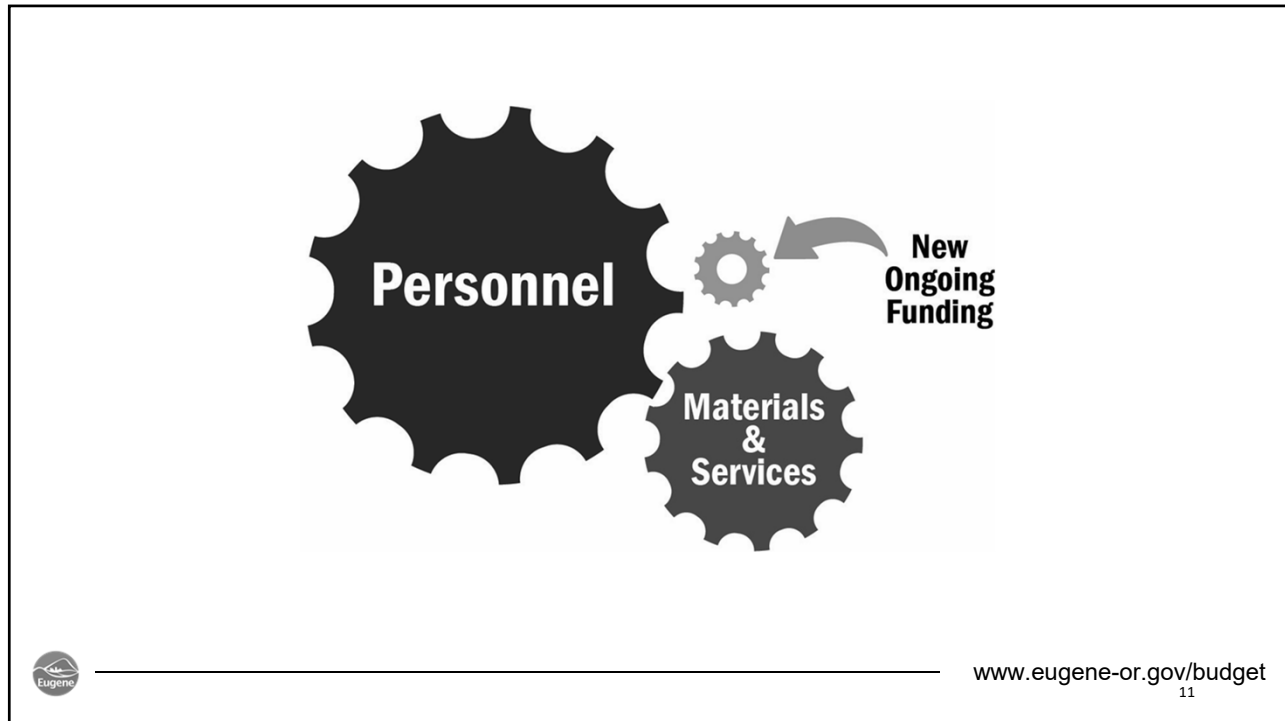
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9



10



11

Pre-COVID Proposed Budget

- Council and community priorities**
 Public Safety | Downtown | Climate Recovery Ordinance
 Infrastructure | Affordable housing and homeless services
- Long-term investments vs 1X funding**
 Maintain reserves | Make investments | Build capacity
- Community Safety Initiative**
 Bridge funding | Loan prior to payroll tax collection
- PERS Employer Incentive Fund contribution**
 State match | Rate reduction

The graph shows two lines over a four-year period (FY20 to FY23). The y-axis is labeled '100%'. One line, labeled 'one-time \$', starts at 100% in FY20 and decreases to 0% by FY23. The other line, labeled 'ongoing \$', starts at 0% in FY20 and increases to 100% by FY23.



12

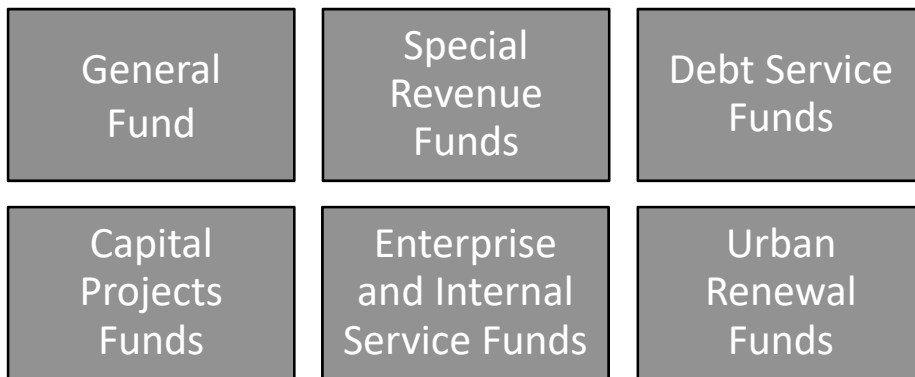
Financial Outlook



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13

13

Focus on the General Fund

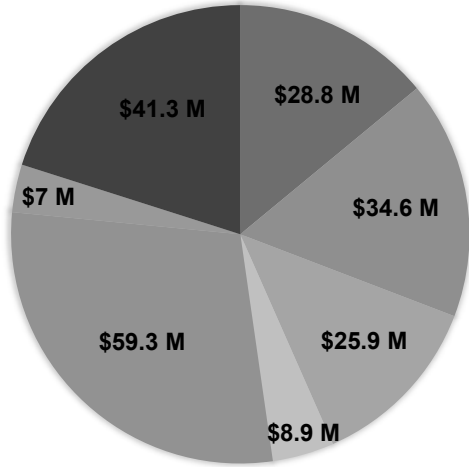


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14

14

FY21 General Fund Budget

TOTAL: **\$205.8 Million**



- ▶ Central Services
- ▶ Fire & Emergency Medical Services
- ▶ Library, Recreation and Cultural Services
- ▶ Planning and Development
- ▶ Police
- ▶ Public Works
- ▶ Non-Departmental



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15

15

Monitoring Variables



Revenues

Expenses



Economy and markets



Council and community priorities

Legislation and rulemaking

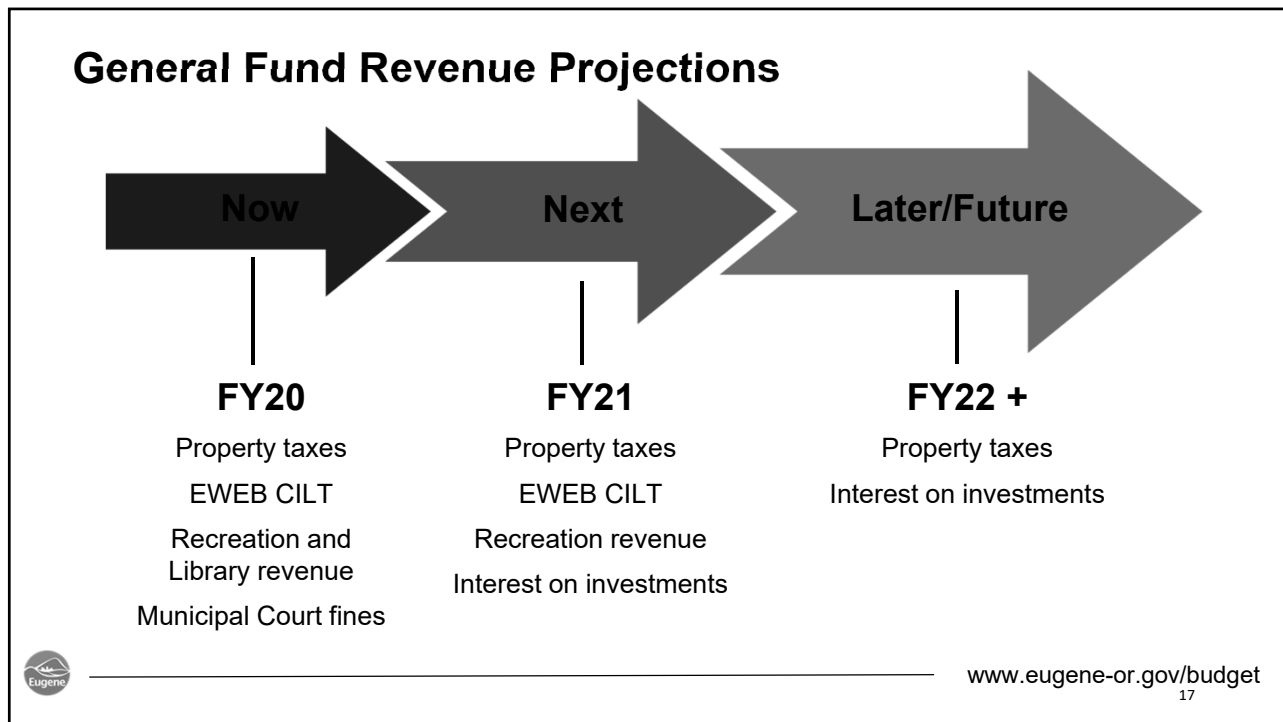
$$n = 1^3 = \left(\frac{n(n+1)}{2} \right)^2$$



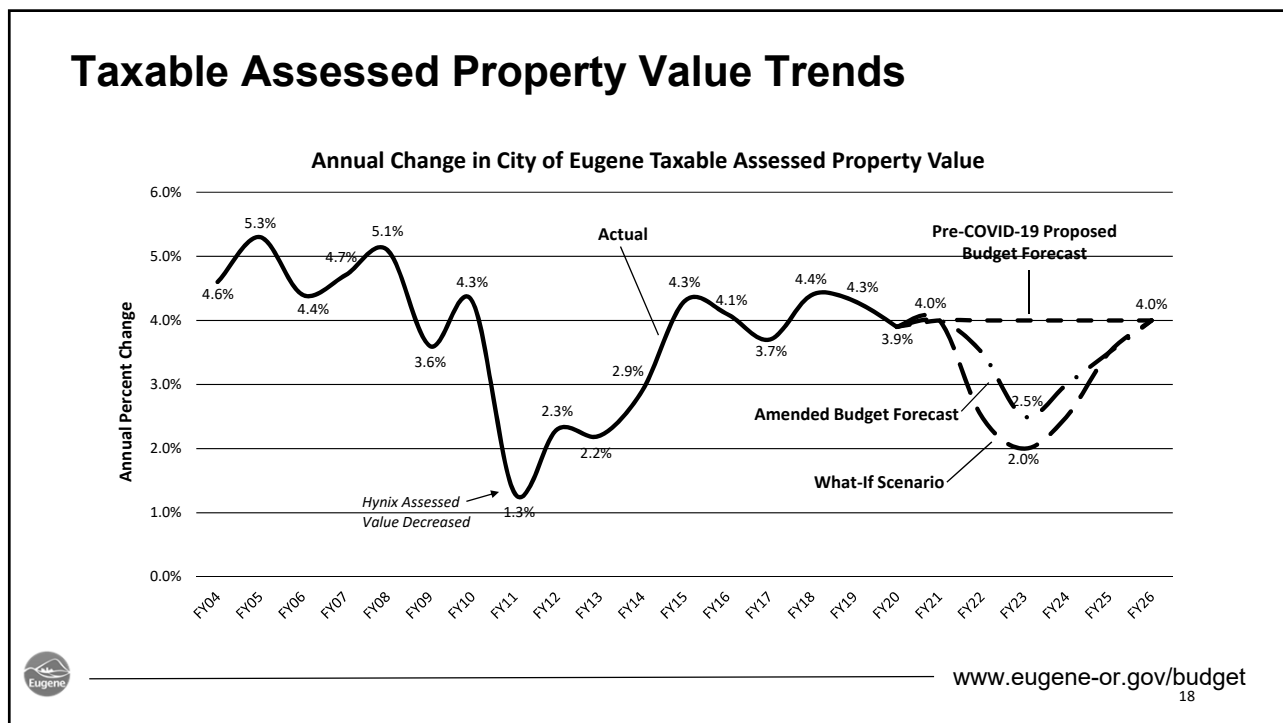
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16

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16



17

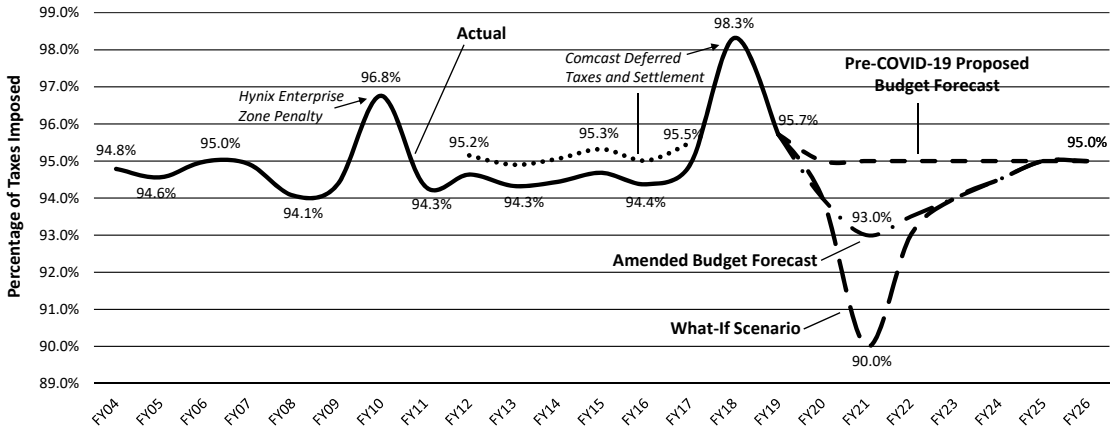


18

Property Tax Collection Rate



Collection Rate as a Percentage of Taxes Imposed
Current General Fund Property Taxes

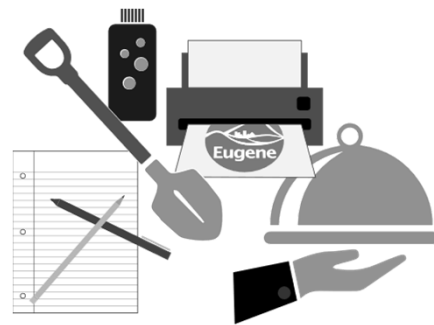


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General Fund Expenses



Personnel services costs



Materials and services



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PERS Employer Incentive Fund (EIF)



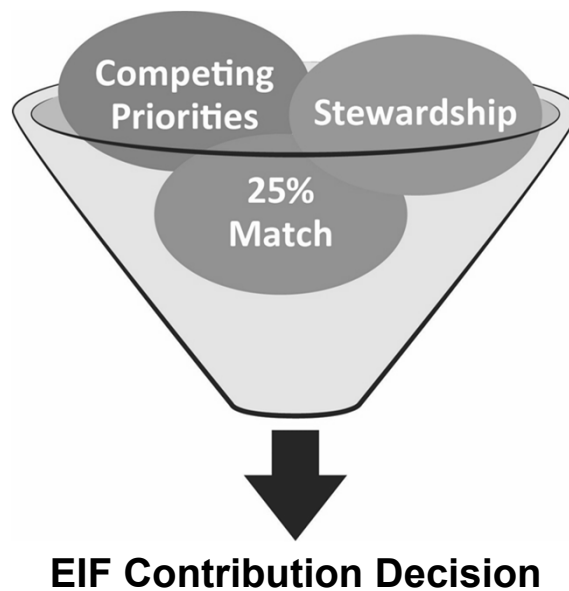
- PERS Employer Incentive Fund (EIF) created by State legislature in 2019
- Employers make lump-sum deposits to pay down Unfunded Actuarial Liability (UAL)
- \$100 million in matching fund available
- State matches 25% match of contribution amount
- PERS rate offset lowers PERS costs



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21

21

PERS EIF



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22

22

PERS EIF

PERS Employer Incentive Fund Contribution

	One-Time Contribution	FY21 Savings	FY21 Net Impact
General Fund	3,073,169	734,990	2,338,166
OPEB Fund	2,880,487	-	2,880,487
Other Funds	2,046,344	539,495	1,506,862
Total	\$8,000,000	\$1,274,484	\$6,725,515

\$2 million
State match

Lowers PERS
rates
immediately

Achieves
\$13M in
savings



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23

23

PERS EIF



- Uncertainty Remains
- PERS Board may extend time matching funds eligibility until December 2020
- FY21 Proposed Budget recommendation remains \$8M
- Staff will monitor situation with hopes to deposit \$8M but at minimum will deposit \$3M, pending Council direction in fall



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24

24

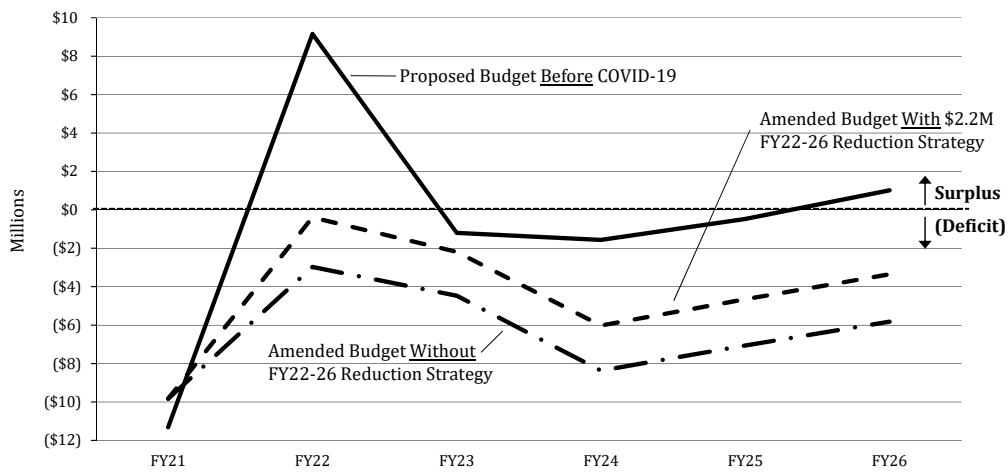
Community Safety Initiative Funding



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25

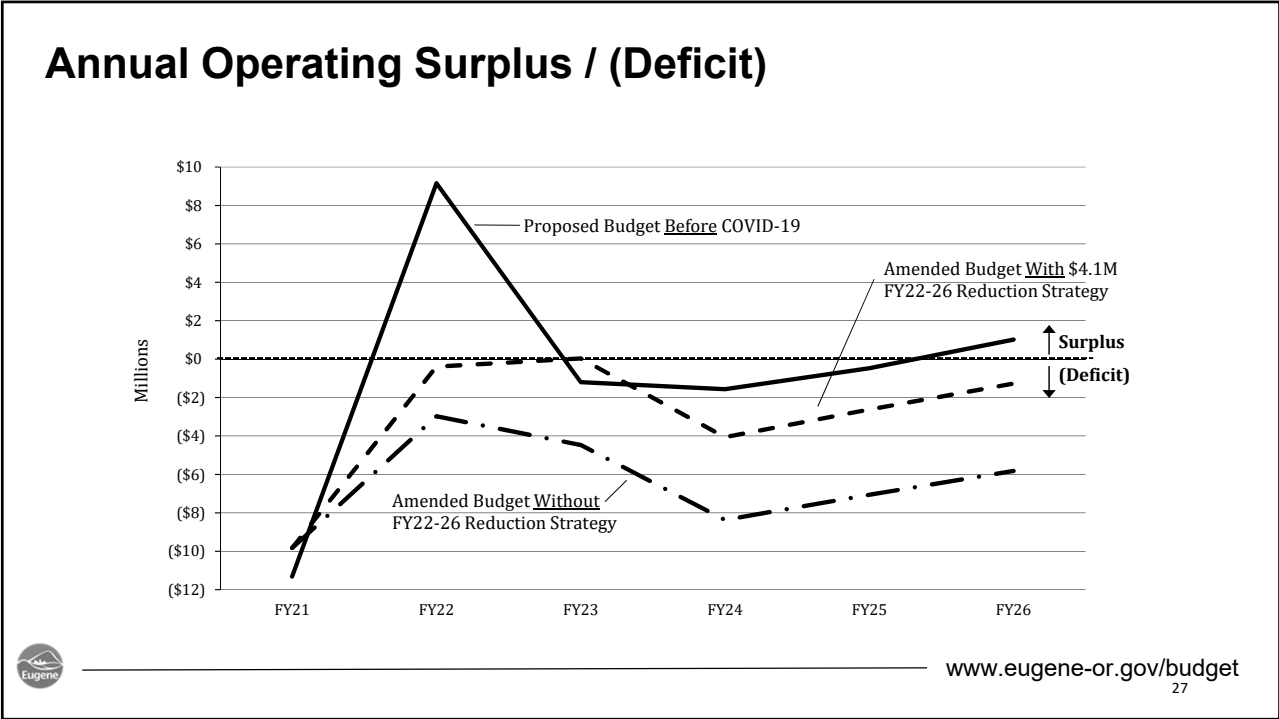
25

Annual Operating Surplus / (Deficit)

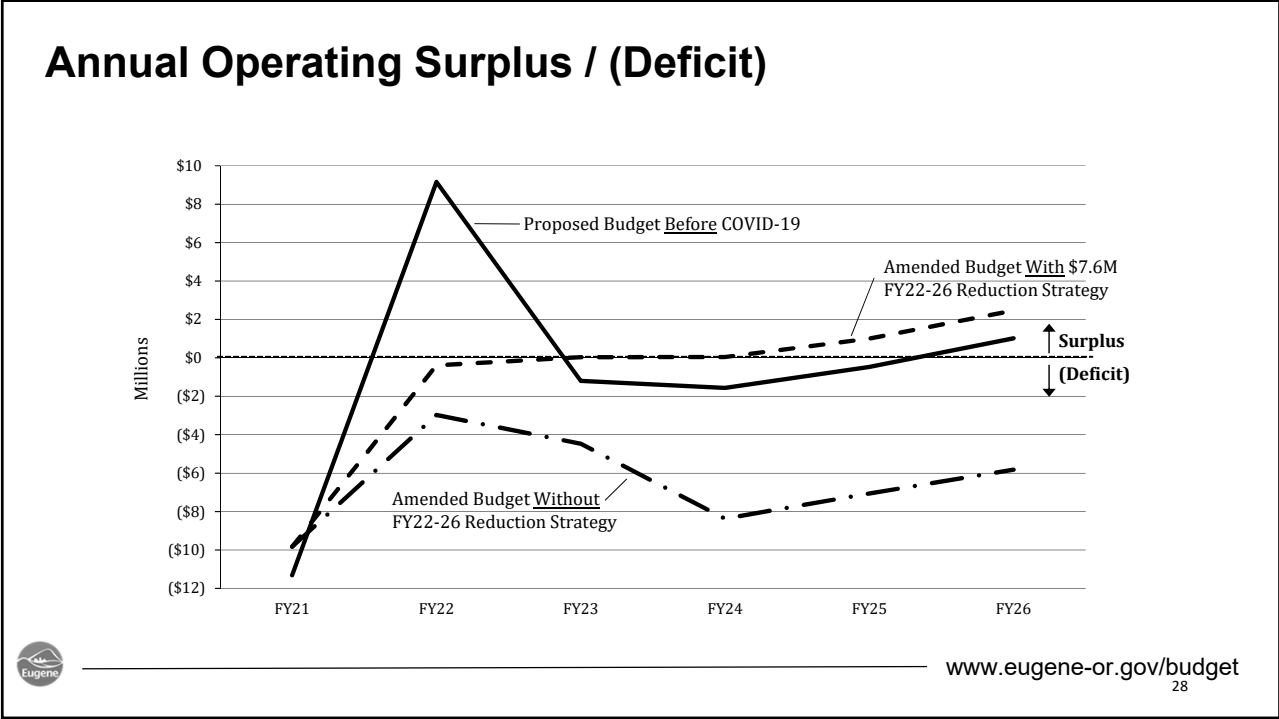


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26

26

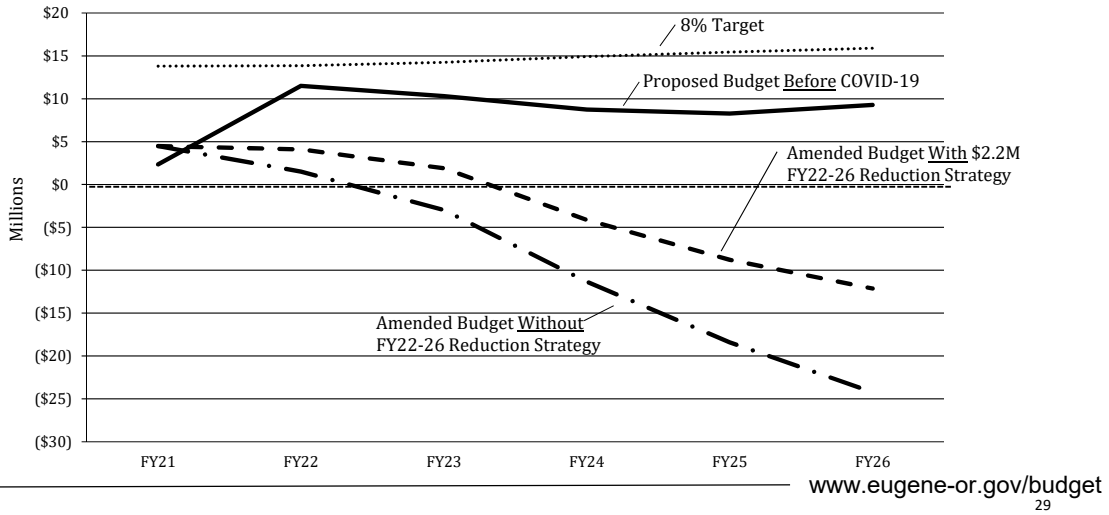


27



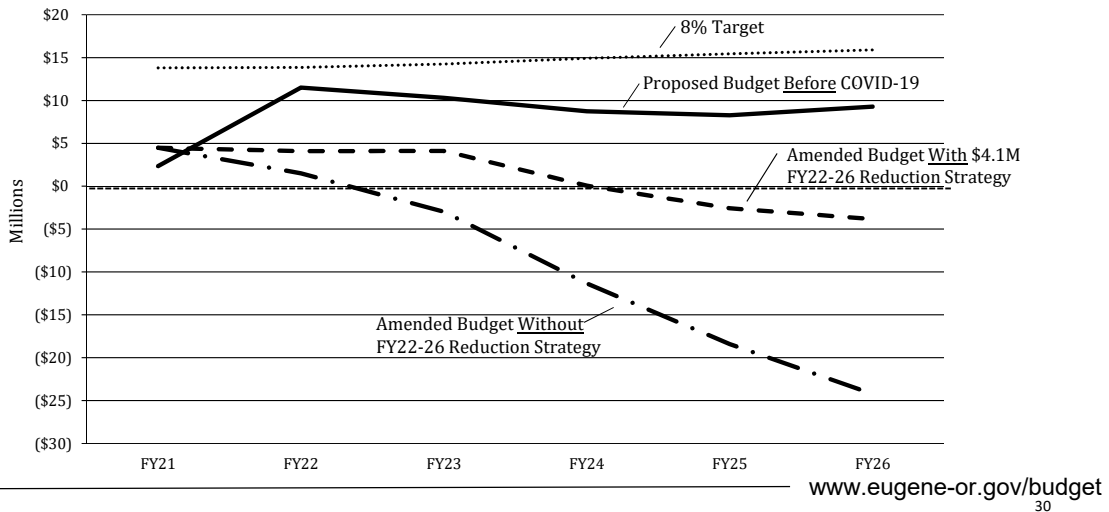
28

Reserve for Revenue Shortfall



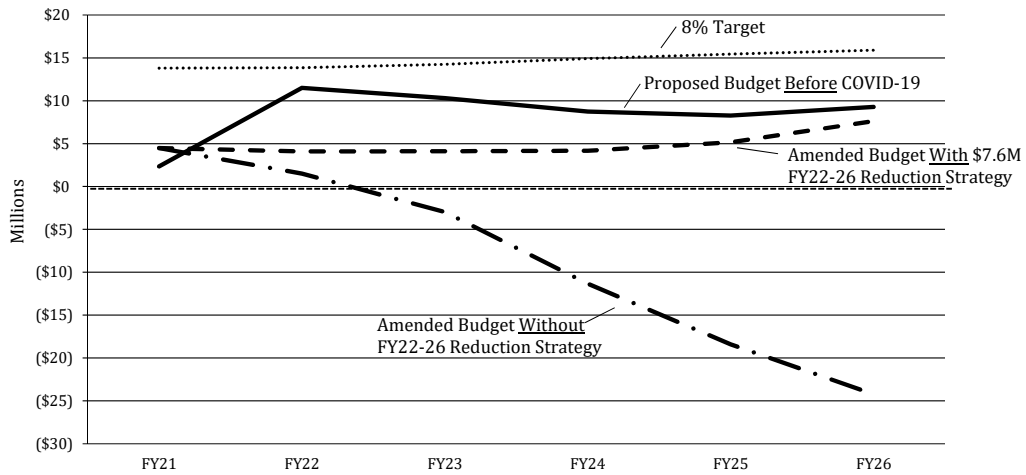
29

Reserve for Revenue Shortfall



30

Reserve for Revenue Shortfall



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31

31

Areas of Uncertainty



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32

32

Other Funds Condition Update

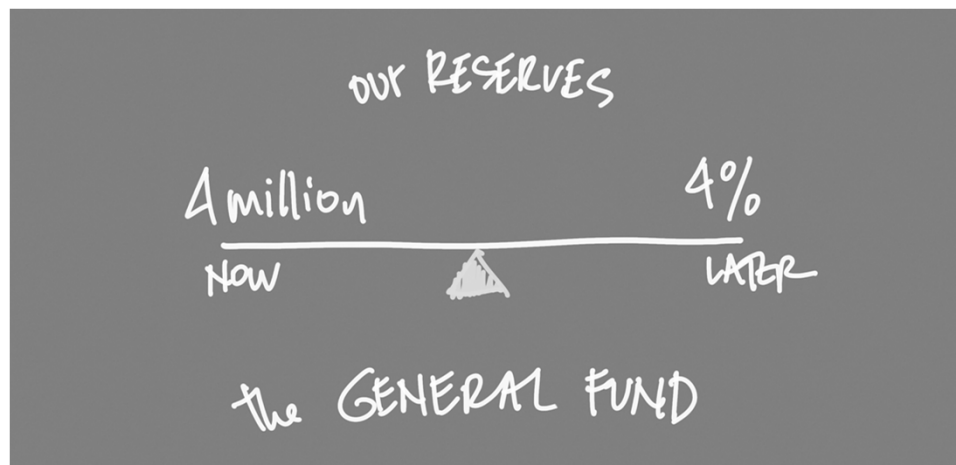
- Cultural Services Subfund
- Road Fund
- Construction Permit Fund
- Professional Services Fund
- Ambulance Transport Fund
- Parking Fund



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33

33

Moving Forward

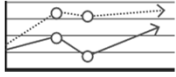


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34

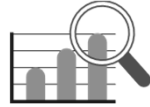
34

The Way Forward

Respond | Recover | Rebound



Aggregated data on impact



Early adjustments



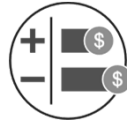
Monitor unknowns



Maintain focus



Ready to respond to changing needs



Sustainable and prudent investments



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35

35

General Fund | Highlights of Amendments



\$750,000 Department operating reduction



Employer Incentive Fund Contribution



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36

36

General Fund | Highlights of Amendments



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37

37

Community Safety Initiative Strategy

- Implement payroll tax as planned
- Adjust revenue projections
- Align services with bridge funding commitment
- Room for ramp-up
- General Fund transfer
- Interfund loan from Fleet Services Fund



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38

38

Other Funds | Highlights of Amendments



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39

39

Other Funds | Highlights of Amendments – Hult Center



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40

40

TAC Report +

HOMELESS SERVICE SYSTEM RECOMMENDATIONS

1 EXPAND AND COORDINATE STREET OUTREACH	2 EXPAND DIVERSION & RAPID EXIT STRATEGIES	3 EXPAND AND COORDINATE RAPID REHOUSING	4 350 UNITS PERMANENT SUPPORTIVE HOUSING	5 MOVE-ON STRATEGIES
6 TENANCY SUPPORTS	7 COORDINATED ENTRY CHANGES	8 LANDLORD PARTNERSHIPS	9 BEST PRACTICE TRAINING	10 75 BED EMERGENCY SHELTER



LaneCounty.org/ShelterStudy



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41

41

Urban Renewal Agency Riverfront District | Downtown District



BUDGET
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PP 177-
197



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42

42

Unfunded Needs Assessment

<p>UNA Category 1: Climate Recovery (Alignment: Council Goal 2, Mayor Focus 1)</p> <p>Objective: Meet the goals of the Climate Recovery Ordinance.</p> <p>Strategy 1.1 CAP 2.0 – Implement the Climate Action Plan: Adapt to climate change, reduce fossil fuels use, and achieve carbon neutrality.</p> <p>Strategy 1.2 EMISSIONS – Reduce greenhouse gas emissions in the organization and throughout the community.</p> <p>Strategy 1.3 INFRASTRUCTURE – Update and build City facilities to meet CRO standards.</p>
<p>UNA Category 2: Community Livability & Resiliency (Alignment: Council Goal 3, Mayor Focus 3)</p> <p>Objective: Create a vibrant, resilient community with a great quality of life.</p> <p>Strategy 2.1 COMMUNITY – Create thriving social spaces and enhance cultural and recreational opportunities.</p> <p>Strategy 2.2 ENVIRONMENT – Land use planning and infrastructure support the needs of a growing and evolving community.</p> <p>Strategy 2.3 ACCESSIBILITY – Provide accessible options that allow people to choose how they live, work, and play in Eugene.</p> <p>Strategy 2.4 ECONOMY – Promote economic development and build community capacity through innovation, expansion, and the smart city initiative.</p>
<p>UNA Category 3: Safe Community (Alignment: Council Goal 1, Mayor Focus 4)</p> <p>Objective: Provide for the safety of all community members.</p> <p>Strategy 3.1 PUBLIC SAFETY – Expand the public safety network to serve the community as it grows.</p> <p>Strategy 3.2 21st CENTURY POLICING – Modernize essential technology to enhance public safety services and increase operations efficiency.</p> <p>Strategy 3.3 PREPAREDNESS – Ensure the community is prepared for disasters and emergencies, including with safe and sustainable infrastructure.</p>
<p>UNA Category 4: Housing and Homelessness (Alignment: Council Goals 1 & 2, Mayor Focus 2 & 3)</p> <p>Objective: Provide access to safe transitional services and sleeping locations, and increase the availability of affordable housing.</p> <p>Strategy 4.1 TAC – Implement TAC report recommendations.</p> <p>Strategy 4.2 HOUSING – Support programs to increase affordable housing.</p>
<p>UNA Category 5: Effective & Transparent Government (Alignment: Council Goals 4 & 5)</p> <p>Objective: Deliver a government that works openly, collaboratively, and fairly with the community while maintaining a sustainable system of revenues to meet municipal needs.</p> <p>Strategy 5.1 MODERNIZATION – Replace end-of-life assets and adopt technologies that support efficient operations.</p> <p>Strategy 5.2 WORKFORCE – Build a skilled and resilient workforce.</p> <p>Strategy 5.3 FINANCIAL RESILIENCY – Build a sustainable financial reserve.</p>

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Appendix



Wrap Up

New World

Continue to serve the community

Fiscal Stewardship

Sustainable budget | Ongoing reductions
Long-term planning

Ongoing Vigilance

Continue to monitor | Adjust at SB1

Flexibility to Respond

Creative solutions | Resilience

