

EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



Work Session: Financial Strategy

Meeting Date: December 10, 2012
Department: Central Services
www.eugene-or.gov

Agenda Item Number: B
Staff Contact: Sue Cutsogeorge
Contact Telephone Number: 541-682-5589

ISSUE STATEMENT

This work session is an opportunity for the council to discuss an FY14 Plan of Action for balancing the General Fund budget, including a discussion of whether to pursue new revenue sources.

BACKGROUND

At the November 14 council work session, the City Manager presented information as background for the start of a financial strategy discussion, including discussion of a potential new revenue source. He related the City's efforts over the past several years to close a persistent structural gap in the budget. Despite a number of years of hard work and decisions to live within our means, the lingering impacts of the recession have widened the mismatch between our revenues and expenses.

At the November 26 council work session, the council received an updated General Fund Six-Year Financial Forecast that indicated that the budget gap had grown from \$3 million projected in the spring to current expectations of a \$6 million gap. The main reason for the increased gap is the significantly lower property tax revenue to be received this fiscal year and each year into the future, due to the depressed economy.

At the December 10 work session, the City Manager will present a Plan of Action to address the budget gap, including an approach for new revenues.

RELATED CITY POLICIES

Council Goal of Fair, Stable and Adequate Funding.

COUNCIL OPTIONS

None. Information only.

CITY MANAGER'S RECOMMENDATION

None. Information only.

SUGGESTED MOTION

None. Information only.

ATTACHMENTS

None.

FOR MORE INFORMATION

Staff Contact: Sue Cutsogeorge

Telephone: 541-682-5589

Staff E-Mail: Sue.L.Cutsogeorge@ci.eugene.or.us