

# EUGENE CITY COUNCIL

## AGENDA ITEM SUMMARY



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Public Hearing and Action: A Resolution Electing to Receive State Revenue Sharing Funds Pursuant to Section 221.770 of Oregon Revised Statutes; a Resolution Certifying that the City of Eugene Provides the Municipal Services Required by Oregon Revised Statutes Section 221.760 in Order to Receive State Shared Revenues; and a Resolution Adopting the Budget, Making Appropriations, Determining, Levying and Categorizing the Annual Ad Valorem Property Tax Levy for the City of Eugene for the Fiscal Year Beginning July 1, 2014 and Ending June 30, 2015

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Meeting Date: June 9, 2014  
Department: Central Services  
[www.eugene-or.gov](http://www.eugene-or.gov)

Agenda Item Number: 6  
Staff Contact: Vicki Silvers  
Contact Telephone Number: (541) 682-5082

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### ISSUE STATEMENT

This meeting is to conduct a public hearing and take action to adopt the fiscal year 2014-2015 (FY15) budget for the City of Eugene. Oregon Local Budget Law requires the City to conduct a public hearing to receive testimony on the FY15 City of Eugene budget as approved by the Budget Committee and on the proposed uses of the State Revenue Sharing funds. Resolutions electing to receive State Revenue Sharing funds and certifying that the City of Eugene provides municipal services required for receipt of state-shared revenues are also required in order to continue receiving those funds under ORS 221.760 and 221.770. Finally, ORS 294.456 requires the City Council to pass a resolution adopting the budget, making appropriations, determining, levying and categorizing the ad valorem property taxes for the next fiscal year.

### BACKGROUND

#### Council Action History

The City Council has consistently met the provision of the Oregon Local Budget Law which requires that a jurisdiction adopts an annual budget by June 30 of each year. If a jurisdiction elects to receive State Revenue Sharing funds, it also must hold a public hearing on the proposed uses of the funds and adopt resolutions or ordinances electing to receive the funds and certifying that the City provides qualifying municipal services.

#### Financial and Resource Considerations

Financial and resource considerations are detailed in the FY15 Proposed Budget document and in the Budget Committee meeting materials, which are available at [www.eugene-or.gov/budgetcommittee](http://www.eugene-or.gov/budgetcommittee). A summary of the Budget Committee changes to the FY15 Proposed Budget is provided in Attachment A.

### **FY14 Proposed Budget and Budget Committee Changes**

The City of Eugene FY15 Proposed Budget was presented to the Budget Committee for its consideration on May 1, 2014. Concurrently with the Budget Committee's review of the Proposed Budget document, the FY15 Proposed Budget was published on the City web site and made available in hard copy format for public review.

The City of Eugene FY15 Proposed Budget was based on balancing ongoing revenues and expenditures in the City's General Fund. In order to bring expenditures in line with General Fund revenues, \$1.9 million in service reductions were identified. The proposed service reductions included the following:

<u>Service</u>	<u>Amount</u>
Downtown Library Reduction in Hours	\$ 344,000
Community Events Transfer to Cultural Services Fund	50,000
Recreation Services Fee Increase and Service Reductions	200,000
Transfer Stormwater Services to Stormwater Fund	605,000
Central Services Travel, Memberships & Miscellaneous	95,000
Equity, Human Rights, Neighborhoods & Sustainability	350,000
Parks Maintenance	300,000
<b>TOTAL</b>	<b>\$ 1,944,000</b>

The City of Eugene Budget Committee held 13 meetings to explore and discuss strategies for the FY15 Budget. Additionally, there were several opportunities for public input including five community workshops at each of the Eugene high schools and a public hearing on the City Manager's FY15 Proposed Budget.

The Budget Committee's final recommendation, approved on May 1, 2014, is as follows:

“Move that the Budget Committee recommend to the Eugene City Council the FY15 Budget for the City of Eugene that consists of the City Manager's Proposed FY15 Budget, including the property tax levies and/or rates contained therein, amended to reflect appropriations for prior year encumbrances and prior year capital projects.”

Attachment A reconciles the FY15 Proposed Budget to the FY15 Budget Committee recommended budget. The Budget Committee recommendation included appropriations for prior fiscal year encumbrances and estimated unexpended capital project funds in the FY15 budget. Encumbrance carryover is for contracts that were entered into but not expended in FY14. Capital project carryover is for capital appropriations that are estimated to remain unexpended at the end of FY14. Attachment A provides the information on encumbrance and capital project carryover by fund.

### **State Revenue Sharing**

The FY15 estimated revenues from State Revenue Sharing are \$1,627,378. The proposed use of these funds is to support General Fund services.

### **Timing**

Under the Oregon Local Budget Law, the FY15 City of Eugene budget must be adopted by June 30, 2014, and a copy of the adopting resolution must be filed with the Lane County Assessor by July 15, 2014. Additionally, the City must elect to receive State Revenue Sharing funds and file a copy of the corresponding resolution with the State of Oregon Department of Administrative Services by July 31, 2014.

### **Other Background Information**

The FY15 Proposed Budget document, Budget Committee meeting materials, and Budget Committee FY15 budget motions are available on the City's website at [www.eugene-or.gov/budget](http://www.eugene-or.gov/budget).

### **RELATED CITY POLICIES**

The FY15 budget was prepared following guidelines established in the Financial Management Goals and Policies.

### **COUNCIL OPTIONS**

After the public hearing on the FY15 budget as recommended by the Budget Committee has been held, the City Council may make changes to the FY15 budget. The City Council may reduce budgeted appropriations in any fund by any amount, as long as resources and requirements remain in balance. No additional process steps are required when appropriations are reduced by the City Council.

Budgeted appropriations may also be increased by the City Council. If the total appropriation increase in any of the reporting funds is less than \$5,000 or 10 percent of the fund's appropriations as recommended by the Budget Committee, whichever is greater, then no additional process steps are required. However, if the appropriations in any fund are increased by more than those limits, the City Council must publish a revised budget notice and hold another public hearing before the adjusted budget can be adopted. Due to the timing requirements associated with the budget notice publication, the last option would effectively preclude the adoption of the FY15 budget by June 30, 2014.

If the City Council decides to amend the FY15 budget resolutions, the motion must contain specific appropriation line(s) being altered in the resolution, and each motion must be self-balancing, meaning that a resource and a requirement must exactly offset each other.

### **CITY MANAGER'S RECOMMENDATION**

The City Manager recommends passage of the two state revenue-sharing resolutions and the

resolution adopting the Budget Committee's recommended budget for the City of Eugene.

**SUGGESTED MOTIONS**

- Move to adopt Resolution 5106, electing to receive state revenue sharing funds pursuant to Section 221.770 of Oregon Revised Statutes.
- Move to adopt Resolution 5107, certifying that the City of Eugene provides the municipal services required by Oregon Revised Statutes Section 221.760.
- Move to adopt Resolution 5108, adopting the budget, making appropriations, determining, levying and categorizing the annual ad valorem property tax levy for the City of Eugene for the fiscal year beginning July 1, 2014 and ending June 30, 2015.

**ATTACHMENTS**

- A. Summary of Changes to the FY15 Proposed Budget
- B. Resolution Electing to Receive State Revenue Sharing
- C. Resolution Certifying Municipal Services Provided
- D. Resolution Adopting the FY15 City of Eugene Budget
  - Exhibit A - Fund Schedules
  - Exhibit B - Fund Names

**FOR MORE INFORMATION**

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