



Eugene City Council

125 E. 8th Ave., 2nd Floor
Eugene, OR 97401-2793
541-682-5010 • 541-682-5414 Fax
www.eugene-or.gov

EUGENE CITY COUNCIL AGENDA

June 11, 2014

12:00 PM CITY COUNCIL WORK SESSION

Harris Hall

125 East 8th Avenue

Eugene, Oregon 97401

Meeting of June 11, 2014;
Her Honor Mayor Kitty Piercy Presiding

Councilors

George Brown, President	Pat Farr, Vice President
Mike Clark	George Poling
Chris Pryor	Claire Syrett
Betty Taylor	Alan Zelenka

CITY COUNCIL WORK SESSION

Harris Hall

12:00 p.m. **A. ACTION:**
Resolution Adopting a Supplemental Budget; Making Appropriations for the City of Eugene for the Fiscal Year Beginning July 1, 2013 and Ending June 30, 2014

12:30 p.m. **B. WORK SESSION:**
Glass Recycling
Mayor: The Eugene City Council will now meet in Executive Session to consult with counsel concerning legal rights and duties regarding current litigation or litigation likely to be filed. The executive Session is held pursuant to ORS 192.660(2)(h).

Representatives of the news media and designated staff shall be allowed to attend the executive session. All other members of the audience are asked to leave the room. Representatives of the news media are specifically directed not to report on any of the deliberations during the executive session, except to state the general subject of the session as previously announced. No decision may be made in executive session. At the end of the executive session, we will return to open session and welcome the audience back into the room.

**1:15 p.m. C. COMMITTEE REPORTS AND ITEMS OF INTEREST FROM
MAYOR, CITY COUNCIL AND CITY MANAGER**

**time approximate*

The Eugene City Council welcomes your interest in these agenda items. This meeting location is wheelchair-accessible. For the hearing impaired, FM assistive-listening devices are available or 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.

City Council meetings and work sessions are broadcast live on the City's Web site. In addition to the live broadcasts, an indexed archive of past City Council webcasts is also available. To access past and present meeting webcasts, locate the links at the bottom of the City's main Web page (www.eugene-or.gov).

El Consejo de la Ciudad de Eugene aprecia su interés en estos asuntos de la agenda. El sitio de la reunión tiene acceso para sillas de ruedas. Hay accesorios disponibles para personas con afecciones del oído, o se les puede proveer un interprete avisando con 48 horas de anticipación. También se provee el servicio de interpretes en idioma español avisando con 48 horas de anticipación. Para reservar estos servicios llame a la recepcionista al 541-682-5010. Todas las reuniones del consejo estan gravados en vivo en Metro Television, canal 21 de Comcast y despues en la semana se pasan de nuevo.

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



**Public Hearing and Action: Resolution Adopting a Supplemental Budget;
Making Appropriations for the City of Eugene for the Fiscal Year
Beginning July 1, 2013 and Ending June 30, 2014**

Meeting Date: June 9, 2014
Department: Central Services
www.eugene-or.gov

Agenda Item Number: 4
Staff Contact: Vicki Silvers
Contact Telephone Number: 541-682-5082

ISSUE STATEMENT

The City Council approval of the second Supplemental Budget (SB2) for Fiscal Year 2013 - 2014 (FY14) is requested. Oregon Local Budget Law (ORS 294.471) allows for supplemental budgets in the event of "an occurrence or condition that is not ascertained when preparing the original budget or a previous supplemental budget for the current year." ORS 294.471 also allows for a supplemental budget if there are "funds that are made available by another unit of federal, state or local government and the availability of which could not reasonably be foreseen when preparing the original budget." This Supplemental Budget does not authorize any increase in the property tax levy and has been published in compliance with the Oregon Local Budget Law.

BACKGROUND

This Supplemental Budget recognizes new revenues and authorizes changes in legal levels of appropriations for the current fiscal year (FY14). A summary of items included in this supplemental budget is presented below:

City Hall Project

- Increase capital appropriations by \$14.25 million in the General Capital Projects Fund for the purpose of completing the funding plan for City Hall. Together with \$750,000 already appropriated on SB#2 in June 2013, the total project budget will be \$15 million. Funding for the appropriation is from: \$2 million in Telecom Registration and Licensing Fund, \$9.81 million in Facility Reserve in the Facilities Services Fund, and \$2.44 million in future revenue allocations. Future revenue allocations are anticipated to come from a portion of the capital budget and unanticipated carry-over balances in the General Fund in future years, as outlined in Attachment A and the email from Kristie Hammitt, Central Services Director, on May 23, 2014.

General Fund

- Recognize \$40,000 in grant revenue from the Urban Sustainability Directors Network (USDN) to convene the first Cascadia regional workshop on integrating climate adaptation principles into urban forestry management. This workshop will be conducted by the City of Eugene; the increase in department operating appropriation authority of \$40,000 is needed to cover the costs associated with this event. No grant match is required from the City of Eugene.

Community Development Fund

- Recognize \$30,000 in interfund transfer revenue from the 310 General Capital Project Fund, increase fiscal transactions by \$50,000 and increase department operating appropriations by the same amounts to repay HUD for property that was purchased in 2005 for affordable housing that has not yet been developed.

General Obligation Debt Service Fund

- Increase tax revenue in the amount of \$314,329, decrease Reserves by \$385,671, and increase debt service by \$700,000 to allow for an early principal payment on General Obligation bonds.

Municipal Airport Fund

- Increase charges for services by \$408,865 and increase Public Works appropriations by the same amount for unanticipated winter storm activity costs, parking management fees, and contracted facility repairs.

RELATED CITY POLICIES

Transactions included in this Supplemental Budget conform to the City's Financial Management Goals and Policies.

COUNCIL OPTIONS

Particular requests requiring more information or discussion may be removed from the Supplemental Budget and delayed for action in the following fiscal year Supplemental Budget. In certain cases, there may be financial, legal or operational impacts to delaying budget approval.

These impacts may include Oregon Local Budget Law violations due to exceeding the legal appropriation levels, or delays with implementation of capital projects. The council may also adopt amended appropriation amounts or funding sources for specific items included in this Supplemental Budget.

CITY MANAGER'S RECOMMENDATION

The City Manager recommends approval of the attached resolution adopting the Supplemental Budget.

SUGGESTED MOTION

Move to adopt Resolution 5105, adopting a Supplemental Budget; making appropriations for the City of Eugene for the Fiscal Year beginning July 1, 2013, and ending June 30, 2014.

ATTACHMENTS

- A. City Hall Funding Plan
- B. Transaction Summary
- C. Resolution
 - Exhibit A - Fund Schedules

FOR MORE INFORMATION

Staff Contact: Michael Allen
Telephone: 541-682-5512
Staff E-Mail: Michael.L.Allen@ci.eugene.or.us

OR

Staff Contact: Vicki Silvers
Telephone: 541-682-5082
Staff E-Mail: Vicki.J.Silvers@ci.eugene.or.us

Attachment A

May 14, 2014

City Hall Funding Plan

- Council has approved \$10.55 million for this project as of SB#2 in December 2013, with an additional \$2 million available and in hand for Council to appropriate in FY14.
- Additional funding is planned to come from future budget allocations, including a portion of the capital budget and unanticipated carry-over balances in the General Fund in future years.
- If this approach is used, the risk of not achieving the full \$15 million in funding for this project is very low.

Amount Available in FY14	
Design Work Appropriation (Supplemental Budget in June 2013)	\$750,000
Facility Reserve Balance as of FY14 Budget at December 31, 2013	9,800,000
Additional Anticipated Interest Earnings on Facility Reserve in FY14	10,000
Telecom Fund Contribution for Telecom-Related Costs	2,000,000
Total Available in FY14	\$12,560,000

Amount Remaining to be Funded* (anticipated on supplemental budgets in December 2014, 2015 and 2016, if funds are available)	
Portion of Future General Capital Transfers – \$500K/year	\$1,500,000
Portion of Future Marginal Beginning Working Capital	<u>940,000</u>
Amount Remaining to be Funded	\$2,440,000

Total Funding Plan for City Hall Project	\$15,000,000
---	---------------------

Numbers are rounded.

*Other funding sources, if available, could offset portions of the amount remaining to be funded, or could be used for project additions.

Transaction Summary

010 General Fund

	FY14 Adopted	FY14 SB1 Action	FY14 SB2 Action	FY14 Revised
I. RESOURCES				
BEGINNING WORKING CAPITAL	35,367,721	3,477,471	0	38,845,192
CHANGE TO WORKING CAPITAL				
REVENUE				
Taxes	97,351,000	0	0	97,351,000
Licenses/Permits	6,367,700	0	0	6,367,700
Intergovernmental	4,007,140	1,179,514	40,000	5,226,654
Rental	114,068	0	0	114,068
Charges for Services	11,225,228	1,035,805	0	12,261,033
Fines/Forfeitures	2,143,775	0	0	2,143,775
Miscellaneous	474,850	42,155	0	517,005
Interfund Transfers	9,767,993	0	0	9,767,993
Total Revenue	131,451,754	2,257,474	40,000	133,749,228
TOTAL RESOURCES	166,819,475	5,734,945	40,000	172,594,420
II. REQUIREMENTS				
Department Operating				
Central Services	21,600,609	664,740	40,000	22,305,349
Fire and Emergency Medical Services	25,453,538	1,089,495	0	26,543,033
Library, Recreation and Cultural Servi	25,081,425	142,881	0	25,224,306
Planning and Development	6,039,638	825,978	0	6,865,616
Police	45,490,101	1,911,990	0	47,402,091
Public Works	6,238,088	18,096	0	6,256,184
Total Department Operating	129,903,399	4,653,180	40,000	134,596,579
Capital Projects				
Capital Projects	0	0	0	0
Capital Carryover	0	0	0	0
Total Capital Projects	0	0	0	0
Non-Departmental				
Debt Service	224,000	0	0	224,000
Interfund Transfers	4,395,350	1,900,000	0	6,295,350
Interfund Loans	0	0	0	0
Contingency	47,000	0	0	47,000
Special Payments	900,000	0	0	900,000
Reserves	8,040,036	821,455	0	8,861,491
Reserve for Encumbrances	1,639,690	(1,639,690)	0	0
UEFB	21,670,000	0	0	21,670,000
Total Non-Departmental	36,916,076	1,081,765	0	37,997,841
TOTAL REQUIREMENTS	166,819,475	5,734,945	40,000	172,594,420

010 General Fund

a) Recognize \$40,000 in grant revenue from the Urban Sustainability Directors Network (USDN) to convene the first Cascadia regional workshop on integrating climate adaptation principles into urban forestry management. This workshop will be conducted by the City of Eugene; the increase in department operating appropriation authority of \$40,000 is needed to cover the costs associated with this event. No grant match is required from the City of Eugene.

135 Telecom Registration/Licensing Fund

	FY14 Adopted	FY14 SB1 Action	FY14 SB2 Action	FY14 Revised	
I. RESOURCES					
BEGINNING WORKING CAPITAL	5,521,099	2,209,080	0	7,730,179	
CHANGE TO WORKING CAPITAL					
REVENUE					
Licenses/Permits	2,900,000	0	0	2,900,000	
Total Revenue	2,900,000	0	0	2,900,000	
TOTAL RESOURCES	8,421,099	2,209,080	0	10,630,179	
II. REQUIREMENTS					
Department Operating					
Central Services	3,226,037	1,349,336	0	4,575,373	
Total Department Operating	3,226,037	1,349,336	0	4,575,373	
Capital Projects					
Capital Carryover	184,577	(2,593)	0	181,984	
Total Capital Projects	184,577	(2,593)	0	181,984	
Non-Departmental					
Interfund Transfers	490,000	0	2,000,000	a	2,490,000
Reserves	276,907	64,000	0	340,907	
Balance Available	4,243,578	798,337	(2,000,000)	a	3,041,915
Total Non-Departmental	5,010,485	862,337	0	5,872,822	
TOTAL REQUIREMENTS	8,421,099	2,209,080	0	10,630,179	

135 Telecom Registration/Licensing Fund

a) Increase interfund transfer appropriations by \$2,000,000 and decrease balance available by the same amount. This adjustment transfers funds from the 135 Telecom Registration/Licensing Fund to the 310 General Capital Projects Fund as part of the City Hall funding plan.

170 Community Development Fund

	FY14 Adopted	FY14 SB1 Action	FY14 SB2 Action	FY14 Revised
I. RESOURCES				
BEGINNING WORKING CAPITAL	3,864,043	(1,516,823)	0	2,347,220
CHANGE TO WORKING CAPITAL				
REVENUE				
Intergovernmental	3,941,300	1,343,359	0	5,284,659
Charges for Services	83,950	0	0	83,950
Miscellaneous	698,300	0	0	698,300
Interfund Transfers	0	0	30,000	a 30,000
Fiscal Transactions	2,541,000	0	50,000	a 2,591,000
Total Revenue	<u>7,264,550</u>	<u>1,343,359</u>	<u>80,000</u>	<u>8,687,909</u>
TOTAL RESOURCES	<u>11,128,593</u>	<u>(173,464)</u>	<u>80,000</u>	<u>11,035,129</u>
II. REQUIREMENTS				
Department Operating				
Central Services	6,000	0	0	6,000
Planning and Development	3,296,938	382,561	80,000	a 3,759,499
Total Department Operating	<u>3,302,938</u>	<u>382,561</u>	<u>80,000</u>	<u>3,765,499</u>
Capital Projects				
Capital Projects	677,250	117,318	0	794,568
Capital Carryover	460,000	(189,110)	0	270,890
Total Capital Projects	<u>1,137,250</u>	<u>(71,792)</u>	<u>0</u>	<u>1,065,458</u>
Non-Departmental				
Debt Service	248,000	0	0	248,000
Interfund Transfers	124,000	0	0	124,000
Special Payments	5,536,337	(515,844)	0	5,020,493
Reserves	780,068	29,198	0	809,266
Balance Available	0	2,413	0	2,413
Total Non-Departmental	<u>6,688,405</u>	<u>(484,233)</u>	<u>0</u>	<u>6,204,172</u>
TOTAL REQUIREMENTS	<u>11,128,593</u>	<u>(173,464)</u>	<u>80,000</u>	<u>11,035,129</u>

170 Community Development Fund

a) Recognize \$30,000 in interfund transfer revenue from the 310 General Capital Project Fund, increase fiscal transactions by \$50,000 and increase department operating appropriations by the same amounts to repay HUD for property that was purchased in 2005 for affordable housing that has not yet been developed.

211 General Obligation Debt Service Fund

	FY14 Adopted	FY14 SB1 Action	FY14 SB2 Action		FY14 Revised
I. RESOURCES					
BEGINNING WORKING CAPITAL	15,104	385,671	0		400,775
CHANGE TO WORKING CAPITAL					
REVENUE					
Taxes	13,344,359	0	314,329	a	13,658,688
Miscellaneous	10,000	0	0		10,000
Total Revenue	<u>13,354,359</u>	<u>0</u>	<u>314,329</u>		<u>13,668,688</u>
TOTAL RESOURCES	<u>13,369,463</u>	<u>385,671</u>	<u>314,329</u>		<u>14,069,463</u>
II. REQUIREMENTS					
Non-Departmental					
Debt Service	13,369,463	0	700,000	a	14,069,463
Reserves	0	385,671	(385,671)	a	0
Total Non-Departmental	<u>13,369,463</u>	<u>385,671</u>	<u>314,329</u>		<u>14,069,463</u>
TOTAL REQUIREMENTS	<u>13,369,463</u>	<u>385,671</u>	<u>314,329</u>		<u>14,069,463</u>

211 General Obligation Debt Service Fund

a) Increase tax revenue in the amount of \$314,329, decrease Reserves by \$385,671, increase debt service by \$700,000 to allow for an early principal payment on General Obligation bonds.

310 General Capital Projects Fund

	FY14 Adopted	FY14 SB1 Action	FY14 SB2 Action		FY14 Revised
I. RESOURCES					
BEGINNING WORKING CAPITAL	16,821,643	(11,477,039)	0		5,344,604
CHANGE TO WORKING CAPITAL					
REVENUE					
Rental	20,000	0	0		20,000
Miscellaneous	19,000	0	2,440,000	a	2,459,000
Interfund Transfers	2,779,300	400,000	11,810,000	a	14,989,300
Fiscal Transactions	0	10,580,954	0		10,580,954
Total Revenue	2,818,300	10,980,954	14,250,000		28,049,254
TOTAL RESOURCES	19,639,943	(496,085)	14,250,000		33,393,858
II. REQUIREMENTS					
Department Operating					
Library, Rec & Cultural Svcs	20,000	0	0		20,000
Total Department Operating	20,000	0	0		20,000
Capital Projects					
Capital Projects	2,827,160	399,968	14,220,000	a,b	17,447,128
Capital Carryover	16,037,391	(862,033)	0		15,175,358
Total Capital Projects	18,864,551	(462,065)	14,220,000		32,622,486
Non-Departmental					
Debt Service	50,000	0	0		50,000
Interfund Transfers	0	0	30,000	b	30,000
Reserve	27,560	0	0		27,560
Balance Available	677,832	(34,020)	0		643,812
Total Non-Departmental	755,392	(34,020)	30,000		751,372
TOTAL REQUIREMENTS	19,639,943	(496,085)	14,250,000		33,393,858

310 General Capital Projects Fund

a) Recognize miscellaneous revenue in the amount of \$2,440,000, increase interfund transfer revenue by \$11,810,000 and increase appropriations for capital projects \$14.25 million for the City Hall project.

b) Increase interfund transfer appropriations to the 170 Community Development Fund by \$30,000 and decrease housing capital project appropriations by the same amount.

510 Municipal Airport Fund

	FY14 Adopted	FY14 SB1 Action	FY14 SB2 Action	FY14 Revised
I. RESOURCES				
BEGINNING WORKING CAPITAL	23,280,543	(5,034,928)	0	18,245,615
CHANGE TO WORKING CAPITAL				
REVENUE				
Intergovernmental	6,251,805	3,371,164	0	9,622,969
Rental	3,527,591	0	0	3,527,591
Charges for Services	4,849,305	70,000	408,865	5,328,170
Fines/Forfeitures	8,200	0	0	8,200
Miscellaneous	39,994	0	0	39,994
Fiscal Transactions	75,252	0	0	75,252
Total Revenue	14,752,147	3,441,164	408,865	18,602,176
TOTAL RESOURCES	38,032,690	(1,593,764)	408,865	36,847,791
II. REQUIREMENTS				
Department Operating				
Fire/Emergency Medical Svcs	814,564	0	0	814,564
Police	462,096	70,000	0	532,096
Public Works	6,011,303	(50,177)	408,865	6,369,991
Total Department Operating	7,287,963	19,823	408,865	7,716,651
Capital Projects				
Capital Projects	9,185,000	0	0	9,185,000
Capital Carryover	12,882,623	(3,286,913)	0	9,595,710
Total Capital Projects	22,067,623	(3,286,913)	0	18,780,710
Non-Departmental				
Interfund Transfers	512,000	0	0	512,000
Reserves	4,290,422	(1,651,382)	0	2,639,040
Balance Available	3,874,682	3,324,708	0	7,199,390
Total Non-Departmental	8,677,104	1,673,326	0	10,350,430
TOTAL REQUIREMENTS	38,032,690	(1,593,764)	408,865	36,847,791

510 Municipal Airport Fund

a) Increase charges for services by \$408,865 and increase departmental appropriations by the same amount for unanticipated winter storm activity costs, parking management fees, and contracted facility repairs.

615 Facilities Services Fund

	FY14 Adopted	FY14 SB1 Action	FY14 SB2 Action	FY14 Revised
I. RESOURCES				
BEGINNING WORKING CAPITAL	12,324,386	166,904	0	12,491,290
CHANGE TO WORKING CAPITAL				
REVENUE				
Rental	653,600	0	0	653,600
Charges for Services	8,321,841	0	0	8,321,841
Miscellaneous	8,000	0	18,393	26,393
Interfund Transfers	0	1,500,000	0	1,500,000
Total Revenue	8,983,441	1,500,000	18,393	10,501,834
TOTAL RESOURCES	21,307,827	1,666,904	18,393	22,993,124
II. REQUIREMENTS				
Department Operating				
Central Services	8,606,547	0	0	8,606,547
Planning and Development	271,456	0	0	271,456
Total Department Operating	8,878,003	0	0	8,878,003
Capital Projects				
Capital Projects	150,000	0	0	150,000
Capital Carryover	512,173	(112,242)	0	399,931
Total Capital Projects	662,173	(112,242)	0	549,931
Non-Departmental				
Debt Service	204,255	0	0	204,255
Interfund Transfers	377,000	0	9,810,000	10,187,000
Reserves	8,522,923	1,810,684	(9,791,607)	542,000
Balance Available	2,663,473	(31,538)	0	2,631,935
Total Non-Departmental	11,767,651	1,779,146	18,393	13,565,190
TOTAL REQUIREMENTS	21,307,827	1,666,904	18,393	22,993,124

615 Facilities Services Fund

a) Increase miscellaneous revenues by \$18,393, decrease the Facility Replacement Reserve by \$9,791,607 and increase appropriations for interfund transfers by the same amounts for the City Hall project.

Resolution Number _____

Attachment B

**A RESOLUTION ADOPTING A SUPPLEMENTAL BUDGET;
MAKING APPROPRIATIONS FOR THE CITY OF EUGENE
FOR THE FISCAL YEAR BEGINNING **JULY 1, 2013**,
AND ENDING **JUNE 30, 2014**.**

The City Council of the City of Eugene finds that Adopting the Supplemental Budget and Making Appropriations is necessary under ORS 294.471.

NOW THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EUGENE, A
Municipal Corporation of the State of Oregon, as follows:

Section 1.

That the Supplemental Budget for the City of Eugene, Oregon, for the fiscal year beginning **July 1, 2013**, and ending **June 30, 2014**, as set forth in attached Exhibit "A" is hereby adopted.

Section 2.

The supplemental amounts for the fiscal year beginning **July 1, 2013**, and ending **June 30, 2014**, and for the purposes shown in attached Exhibit "A" are hereby appropriated.

Section 3.

That this Supplemental Budget is prepared in accordance with ORS 294.471(1)(a), which authorizes the formulation of a supplemental budget resulting from "an occurrence or condition that is not ascertained when preparing the original budget or a previous supplemental budget for the current year or current budget period and that requires a change in financial planning." This Supplemental Budget was published in accordance with ORS 294.471(3).

Section 4.

This resolution complies with ORS 294.471(4), and does not authorize an increase in the levy of property taxes above the amount published in the Adopted Budget publication.

The foregoing resolution adopted **this 9th day of June, 2014**.

City Recorder

EXHIBIT "A"
Fund Schedules

In dollars

GENERAL FUND

Departmental Operating	
Central Services	40,000
Total Departmental Operating	<u>40,000</u>
TOTAL GENERAL FUND	<u>40,000</u>

TELECOM REGISTRATION/LICENSING FUND

Non-Departmental	
Interfund Transfer	2,000,000
* Balance Available	<u>(2,000,000)</u>
Total Non-Departmental	0
TOTAL TELECOM REGISTRATION/LICENSING FUND	<u>0</u>

COMMUNITY DEVELOPMENT FUND

Departmental Operating	
Planning and Development	80,000
Total Departmental Operating	<u>80,000</u>
TOTAL COMMUNITY DEVELOPMENT FUND	<u>80,000</u>

GENERAL OBLIGATION DEBT SERVICE FUND

Non-Departmental	
Debt Service	700,000
* Reserves	<u>(385,671)</u>
Total Non-Departmental	314,329
TOTAL GENERAL OBLIGATION DEBT SERVICE FUND	<u>314,329</u>

GENERAL CAPITAL PROJECTS FUND

Capital Projects	
Capital Projects	14,220,000
Total Capital Projects	<u>14,220,000</u>
Non-Departmental	
Interfund Transfer	30,000
Total Non-Departmental	<u>30,000</u>
TOTAL GENERAL CAPITAL PROJECTS FUND	<u><u>14,250,000</u></u>

MUNICIPAL AIRPORT FUND

Departmental Operating	
Public Works	408,865
Total Departmental Operating	<u>408,865</u>
TOTAL MUNICIPAL AIRPORT FUND	<u><u>408,865</u></u>

FACILITIES SERVICES FUND

Non-Departmental	
Interfund Transfer	9,810,000
* Reserves	(9,791,607)
Total Non-Departmental	<u>18,393</u>
TOTAL FACILITES SERVICES FUND	<u><u>18,393</u></u>

TOTAL REQUIREMENTS - ALL FUNDS	<u><u><u>15,111,587</u></u></u>
---------------------------------------	---------------------------------

* Reserves, Balance Available, and UEFB amounts are not appropriated for spending and are shown for information purposes only.

EUGENE CITY COUNCIL

AGENDA ITEM SUMMARY



Work Session: Glass Recycling

Meeting Date: June 11, 2014
 Department: Planning and Development
www.eugene-or.gov

Agenda Item Number: A
 Staff Contact: Ethan Nelson
 Contact Telephone Number: 541-682-5224

ISSUE STATEMENT

This Council work session provides an overview of the glass recycling system that serves Eugene.

BACKGROUND

In Oregon, the two laws which influence the glass recycling system are the landmark 1971 Oregon Bottle Bill and the 1983 Opportunity to Recycle Act. The Bottle Bill established the mandatory deposit fee and funds the related collection and processing systems. The Opportunity to Recycle Act established the solid waste management hierarchy of reduce, reuse, and recycle before landfilling.

In Oregon, the Department of Environmental Quality regulates the permitting and operations of solid waste disposal and recycling facilities. The Oregon Liquor Control Commission has authority over the state-wide bottle bill programs. Locally, the Eugene Code guides the regulation and standards, including customer rates of solid waste and recycling collection and disposal services, by way of administrative rules under the authority of the City Manager.

Eugene recovers roughly 6,300 tons of glass annually through bottle bill redemption and curbside recovery. The majority of collected curbside glass is delivered to EcoSort in Glenwood for storage. From EcoSort, glass is sent to Portland for processing on the path to eventually being incorporated into new glass products.

Last fall, the *Register Guard* published an article on the local glass recycling system. At that time, glass that was presumed by many to be separated for recycling was instead being used as base material for roadways at a landfill. Since that time, a glass-to-glass recycling processor has come on-line in Portland providing a new market and another option for Eugene's diverted glass waste. With this additional market, glass is no longer being used as roadbed material at the landfills.

Staff is investigating rule changes intended to maximize environmental benefit and achieve the highest reuse or recyclable value from the waste glass stream. New rules to address this point should be ready for public comment in late summer.

A staff report with more detail is provided on the state-wide and local system as Attachment A.

RELATED CITY POLICIES

Eugene Code Section 3.245-3.270: Solid Waste, Yard Debris, and Recycling

Administrative Rule R 3.250: Solid Waste, Yard Debris, and Recycling Collection (53-13-01-F)

COUNCIL OPTIONS

Informational session only.

CITY MANAGER'S RECOMMENDATION

Informational only, no recommendation

SUGGESTED MOTION

Informational only, no recommendation.

ATTACHMENTS

A. Staff Memo on Glass Recycling

FOR MORE INFORMATION

Staff Contact: Ethan Nelson

Telephone: 541-682-5224

Staff E-Mail: ethan.a.nelson@ci.eugene.or.us



Memorandum

Date: June 11, 2014

To: Stuart Ramsing, Building and Permit Services Division Manager.

From: Ethan Nelson, Program Manager

Subject: Glass Recycling System

In Oregon, the two laws which influence the glass recycling system are the landmark 1971 Oregon Bottle Bill and the 1983 Opportunity to Recycle Act. The Bottle Bill established the mandatory deposit fee and programs related to covered beverage containers, while the Opportunity to Recycle Act established the solid waste management hierarchy of reduce, reuse, recycle before landfilling which provided the direction and impetus for curbside recycling as a service of solid waste haulers. These two pathways have created two distinctly different systems for glass recycling in Oregon.

Uses for Recycled Glass

One of two primary products from recycled glass is 'cullet' that will be processed into a range of final products by other manufactures. Cullet of recycled glass is mixed as necessary with virgin glass or other materials to create a range of products from containers to insulation. The other product is a coarsely crushed glass used as aggregate in road beds and drainage systems.



Figure 1: Examples of Cullet

In December 2013, Owens-Illinois and eCullet, opened a glass-to-glass joint venture in Portland. The new facility will employ 75 people and will provide cullet to the nearby Owens plant that produces one million bottles per day, primarily beer bottles for Pacific Northwest breweries.

Every 10% of recycled glass used in the O-I manufacturing process reduces energy costs by 2-3% and greenhouse gas emissions by 4-10%, showing the economic as well as environmental benefit for industrial scale recycling.

Oregon Department of Environmental Quality (DEQ) policy allows crushed glass to be utilized as roadbed or drainage 'fill' within the footprint of a landfill, that meets their standards for contamination levels, non-hazardous waste, etcetera. DEQ staff believes the policy will continue into the foreseeable future, as the use provides an option when other markets are not feasible, usually in more rural areas of the state. The use of crushed glass also replaces the more traditional use of quarried rock (i.e., gravel).

In 2013, DEQ completed an initial life cycle analysis of the environmental benefits of using cullet in the manufacture of glass compared to recycled glass used as aggregate in roadbed construction. For each ton of glass:

- glass-to-glass recycling showed an energy savings of .62 million BTU (MMBTU) as a low estimate with a high estimate of 1.67MMBTU, while
- aggregate use showed a .22MMBTU energy savings

The use of source separated glass as a replacement in the production of new glass products saves three to seven times the amount of energy compared to using the material as aggregate replacement.

Material Streams

The Oregon Bottle Bill was established in 1971 with a few updates over the years, most recently in 2009, that among other things updated the law to include more beverage containers. For 2010, the most recent data from Oregon DEQ, Bottle Bill distributors reported recycling 56,000 tons of glass. Due to the collection method (reverse vending machines or by hand at retailers), this material has very little contamination, resulting in 99% of the material being recycled as glass-to-glass. This system is funded through the \$23million in annual unredeemed deposits which stay with beverage distributors.

Comparatively, curbside glass recycling within the state is either through a dual system (like Eugene's) where glass is placed in a separate container or a single stream system where all recycled materials are collected in one bin (Medford). Statewide in 2010, the DEQ reported 51,000 tons of hauler collected glass with 54% of this material being recycled as glass-to-glass, the remainder used as aggregate fill (roadbeds and landfill roads/drainage ditches). This hauler collected glass has a much higher rate of contamination making it a lower quality product for glass-to-glass manufacturing.

It is estimated that Eugene recovers roughly 6,300 tons of glass annually through bottle bill redemption and curbside recovery (Eugene is 52% of the Lane County Wasteshed which produced an estimated 12,000 tons in 2012). The majority of curbside glass collected in Lane County is delivered to EcoSort in Glenwood where a hauler pays a 'tip fee' of \$32.50/ton to leave the product. Material is stockpiled on-site and then shipped on average of 2-3 times per week (roughly 30 tons per load and 300 tons per month). Prior to the Glass to Glass facility opening in Portland, EcoSort sent the majority of its source separated glass to Coffin Butte Landfill and a small amount to Delta Sand and Gravel Landfill to be used as aggregate replacement in roads and drainage systems within the footprint of the landfill.

The three largest licensed haulers in Eugene, accounting for over 98% of all customer accounts include Sanipac, Lane Apex Disposal, and Royal Refuse. Both Sanipac and Lane Apex Disposal send collected material to EcoSort,



Figure 2: Curbside Glass at EcoSort

while Royal Refuse provides it directly to the Oregon Beverage Recycling Cooperative (OBRC). Currently, all source separated glass collected by EcoSort is hauled to Glass to Glass in Portland.

Financial Impacts

The City of Eugene sets all solid waste/recycling rates for residential and commercial customers within the City limits. This is done annually and is based on the financial performance of the hauler with the largest amount of customers, which is Sanipac. In its simplest form, rate calculation assesses the total amount of revenue versus the total amount of eligible expenses (operations, fees, taxes, overhead, etc).

The cost of collecting, hauling, and processing recyclable material (including glass) is included in the customer rate for both residential and commercial customers. Any increase in expenses related to collecting, hauling, or processing materials are therefore passed through to the rate base. EcoSort's tip fee did not change with the switch to move material to Glass to Glass in Portland.

All hauler financial information reported to the City is considered confidential, and therefore cannot be shared within this memo. Yet, in regards to how increased expenses impact the rate base, an expense increase of \$100,000 annually would result in: residential customer increase of \$0.25 per month and commercial customer increase of \$0.38 per yard per month.

Policy

At a local level, the City of Eugene implements the ORS 459-Solid Waste Management and ORS 459A- Opportunity to Recycle Act through the Solid Waste, Yard Debris, and Recycling Ordinance (EC 3.245-3.270) and associated administrative rules (R 3.250). The City has no jurisdictional authority over the implementation of the Oregon Bottle Bill, which is administered by the Oregon Liquor Control Commission (OLCC).

City Administrative Order No. 53-13-01-F provides the implementing rules and standards for the EC 3.245. Specifically, item R-3.250-I (3) provides direction that, "Licensee must dispose of recyclable materials at a recycling facility in compliance with regulations of the Oregon Department of Environmental Quality..." and "Licensees may not dispose of recyclable materials by any means other than recycling." Recycling is defined in EC 3.005 as, "Any process by which solid waste materials are transformed into new products in a manner that the original products may lose their identity."

The past practice of using source separated glass to in lieu of virgin fill in roadbeds and drainage at landfills, is considered 'recycling' rather than 'reuse'. Neither city code nor rule provides a definition for 'reuse', but under ORS 459 'reuse' is defined as: 'means the return of a commodity into the economic stream for use in the same kind of application as before without change in its identity.' Clearly, use of source separated glass as aggregate is a substantial 'change in its identity'. Staff is currently investigating rule changes intended to maximize environmental benefit and prioritize the highest reuse or recyclable value from the waste glass stream. Rule revisions will be incorporated into this year's rate review process, ready for public comment in late summer.



Glass

Presentation Overview

1. Video of Glass Recycling
2. Guiding Policy
3. Local Data

Glass Recycling Video

-25-



Two Policy Paths for Glass Container

Bottle Bill-
1971
5c deposit

- Reverse Vending
- 99% G2G

Opportunity
to Recycle-
1983

- Curbside
- 50% G2G



Ideal System



NORTH AMERICAN GLASS CULLET MARKET



Reverse Vending



Bottle Drop-2105 West Broadway



Curbside Collection



EcoSort Storage





Item B.



-34-

Current Action



Contact Us

Service Requests, Comments, and Concerns

Stay Connected

Email Updates and Newsletters Sign-Up

City Search



GOVERNMENT

DEPARTMENTS

SERVICES

BUSINESS

I WANT TO...

Explore EUGENE

You are here: [Home](#) > [Departments](#) > [Planning and Development](#) > [Recycling and Solid Waste](#)

Composting

Commercial Food Waste Collection

Garbage Regulations and Rates

Partners in Education

Plastic Bags

Recycling

Bold Steps Award Program

Share

[Where to Recycle Construction Debris](#)

Contact Information

Waste Prevention & Green Building

Ethan Nelson
Atrium Building
99 W 10th Ave.
Eugene, Oregon 97401
Ph: 541-682-5224
Fx: 541-682-5593

[Email](#)

Recycling and Solid Waste

Recycling and Solid Waste Programs in Eugene

The City of Eugene sets rates and standards for garbage, yard debris and recycling collection service inside the City limits. In addition, food scrap collection is offered for commercial customers.

- [Find a garbage hauler](#)
- [Composting](#)
- [Garbage rates](#)
- [Commercial food waste collection](#)
- [Recycling](#)

Love Food Not Waste Video



Compost Video-Recycling 101



Reuse It Video



Spotlight

Find out more about Thundercans:



To find out more about the Bold Steps Program, click [here](#).

Calendar

Wed, Jun. 18
Sustainability Commission Meeting

Sat, Jun. 21
Neighborhood Sharing Workshop

[View All](#)



Questions and Discussion

Ethan Nelson

Ethan.a.nelson@ci.eugene.or.us

541-682-5224

-36-



Energy Saved

Recycled vs Virgin Material



Bottle Drop-West Eugene

Zone 1

- Fred Meyer- West 11th
- Albertson's- West 18th
- Safeway- East 18th
- Bi-Mart- West 18th
- Burns Apple- West 6th
- The Kiva- West 11th

Zone 2

- Trader Joe's- Oakway
- Bi-Mark- Royal Ave
- Bi-Mart- River Road
- Rite-Aid- Echo Hollow Rd.
- Rite-Aid- West 29th
- Natural Grocers-Coburg Rd.
- Capella Market- Willamette
- Safeway- East 40th

Oregon Bottle Bill

-39-



Mrs. Joe H. Rand talking with Governor Tom McCall at a February 2, 1970 demonstration by members of the Young Women's Christian Association against non-returnable bottles & cans.

OHS Library OH022687

OREGON'S LANDMARK LEGISLATION

Cleaner Oregon: 1971 Bottle Bill

House Bill 1036, passed in 1971, mandated a 5-cent deposit on all soft drink and beer bottles, redeemable on return. The legislation faced vigorous opposition from producers of beverages and grocery owners. Producers feared the surcharge would discourage purchases; store owners did not want to cope with returned containers. When the concept had been defeated in 1969, Governor Tom McCall dynamically endorsed revised legislation. As the 1971 legislature assembled, one member remarked: "the Bottle Bill was a train speeding down the tracks with everyone on board."

"The idea for Oregon's landmark bottle bill was hatched in the mind of Richard Chambers, a logging equipment salesman who couldn't abide the sight of litter on the state's trails and beaches."

The Register-Guard (Eugene, OR.), 2002



Tom McCall shows support for the Bottle Bill. *The Oregonian*, undated

John Piacentini, President of Plaid Pantry, a chain of neighborhood convenience stores, grasped the value of the proposed law. When he offered a half-cent refund on any beer or soda pop container, his stores were so overwhelmed with returns that the National Guard was called in to haul away the bottles and cans. The House voted 54 to 6 in favor of the bill. Offended by strong-arm opposition to the legislation, the Senate passed it with a vote of 22 to 8. Governor McCall signed this landmark legislation on July 2, 1971, and Oregon became a leader in national recycling.

Letter to Gov. McCall, OHS Library MS5 625



Since passage of Oregon's container law of 1971, ten other states have adopted similar legislation. Oregon Senate Bill 707 in 2007 added water bottles to the refund and recycling program.

TOP LEFT: Political Cartoon, Carl Bonwill Collection, OHS, OHS Library, MS5 5337
 TOP RIGHT: Political Advertisement, Opposition to Massachusetts Bottle Bill, undated OHS
 MIDDLE: Political Advertisement, Support Washington Bottle Bill, undated, OHS Library MS
 BOTTOM: Plaid Pantry Advertisement, *The Oregonian*, April 1, 1970, microfilm copy

Item B.

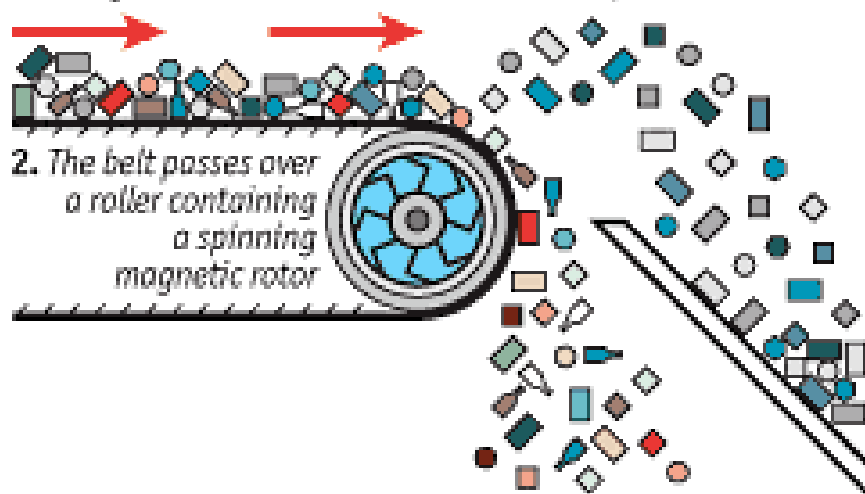
Green flingers

Eddy-current separator

1. A stream of waste material travels along a conveyor belt

2. The belt passes over a roller containing a spinning magnetic rotor

3. A secondary magnetic field is induced in metallic items, and magnetic repulsion pushes them clear of the waste stream

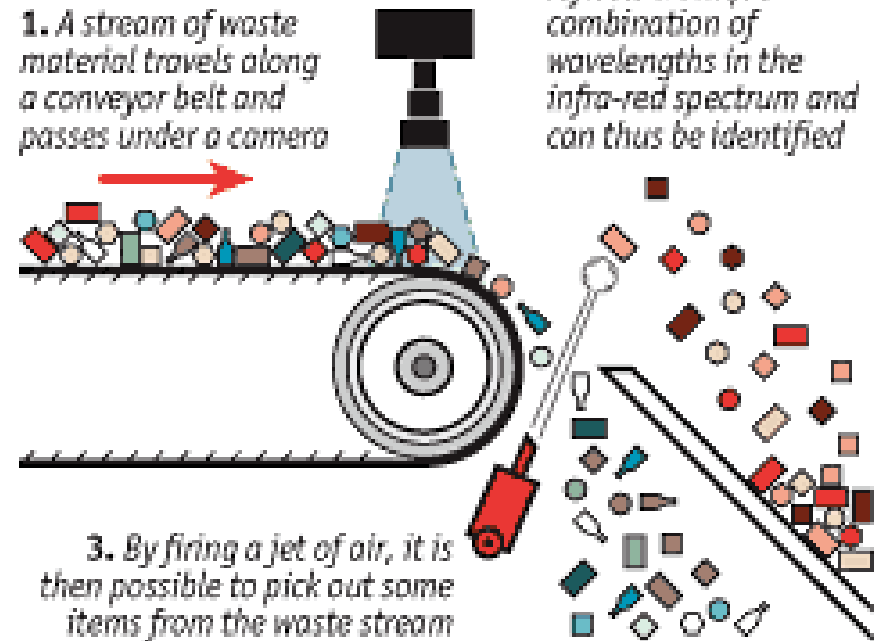


Spectroscopic sorter

1. A stream of waste material travels along a conveyor belt and passes under a camera

2. Each type of material reflects a unique combination of wavelengths in the infra-red spectrum and can thus be identified

3. By firing a jet of air, it is then possible to pick out some items from the waste stream



Sources: TiTech, *The Economist*

ORS 459A-Opportunity to Recycle-1983

- ❖ Established monthly curbside recycling programs, in cities with pops. over 4,000 and provide Education.
- ❖ Solid Waste hierarchy.
- ❖ Required Permitted Disposal Site Have a Recycling Depot.

Amended in 1991, 1997, and 2001



ORS 459A-Opportunity to Recycle

Recycling Act in 1991:

- ❖ Established Statewide Recovery Goals of 50% by the Year 2000.
- ❖ Established Wasteshed Recovery Goals.
- ❖ Established HHW Program.

Revised in 2000

- ❖ State Recovery Goal of 50% was Changed to 2009.
- ❖ Wasteshed Recovery Goals Changed

