

MINUTES

Eugene City Council
McNutt Room--City Hall

October 2, 1995
5:30 p.m.

COUNCILORS PRESENT: Shawn Boles, Pat Farr, Kevin Hornbuckle, Tim Laue,
Barbara Keller, Nancy Nathanson, Laurie Swanson Gribkov,
Jim Torrey.

The Special City Council Work Session of October 2, 1995, was called to order
by Her Honor Mayor Ruth Bascom.

Ms. Nathanson moved, seconded by Mr. Laue, that the agenda of the
meeting distributed to councilors be approved. The motion was
adopted; 7:1, with Ms. Keller opposed.

I. MULTI-YEAR FINANCIAL PLANNING

A. General Fund Forecast

Warren Wong, Administrative Services Director, reviewed the General Fund
Forecast agenda item summary and suggested motion distributed to councilors
with the agenda of the meeting.

Ms. Nathanson moved, seconded by Mr. Laue, to continue the current
service level and reduce the cost escalation factor from 3.6% to
3.2% (approximately \$330,000) when preparing the FY97 budget;
address General Fund stability by continuing to reduce the cost
escalation factor in the ensuing five years of the forecast
period; and revisit the General Fund Forecast annually to update
the balancing strategy.

Ms. Swanson Gribkov determined that policy issues raised in the agenda item
summary for the topic would be considered at the October 9, 1995, work session
of the council.

Mr. Boles stated that he would vote against the motion because he considered
the proposal "smoke and mirrors" and because it did not address the more basic
issue of reducing expenditures.

Ms. Keller stated that she would vote for the motion because she considered it
an error to overestimate expenditures. She added that she preferred to deal
with potential budget shortfalls by reducing expenditures.

Mr. Laue stated that he would vote for the motion because it was a prudent

proposal and the issue would be revisited at the time of establishing the FY97 budget.

The motion was adopted; 6:2, with Mr. Boles and Mr. Hornbuckle voting opposed.

B. One-Time Resources

Mr. Wong reviewed the One-Time Resources agenda item summary and suggested motions distributed to councilors with the agenda of the meeting.

1. General Fund Financial Integrity

Ms. Nathanson moved, seconded by Mr. Laue, to allocate currently available one-time resources to the General Fund, as follows: 1) \$400,000 to the FY96 Reserve for Revenue Shortfall (plus amount identified for lost revenue to Municipal Court); and 2) \$1 million to the Unappropriated Ending Fund Balance.

Ms. Keller referred to her memorandum dated October 2, 1995, regarding low-income housing permit fees distributed to councilors at the beginning of the meeting. The memorandum reviewed increased development of low-income housing, the practice of paying building permit fees and System Development Charges (SDCs) for such projects from available Federal funds, the history of council's approval of payment of the fees from discretionary funds, and the inability of both sources to cover projected expenditures in FY96.

Ms. Keller moved, seconded by Ms. Nathanson, to amend the motion as follows: to allocate currently available one-time resources to the General Fund, as follows: 1) \$400,000 to the FY96 Reserve for Revenue Shortfall (plus amount identified for lost revenue to Municipal Court); and 2) ~~\$1 million~~ \$500,000 to the Unappropriated Ending Fund Balance; and 3) \$500,000 to a Low-Income Housing Permit and System Development Charges Fund to be administered by the Housing Policy Board.

Ms. Keller stated Federal funds would continue to be the initially sought resource for such fees, but if additional City resources were not made available, some low-income housing projects would be delayed or eliminated.

Ms. Nathanson stated that she supported the proposed amendment because it did not affect any other proposed allocation of currently available one-time resources.

Mr. Wong reminded councilors of the rationale for the staff recommendation of allocating \$1 million to the Unappropriated Ending Fund Balance.

Mr. Torrey said he hoped the proposed amendment would be defeated because it was proposed without adequate background. He stated that the council had always supported low-income housing projects and that there was a need to carefully manage public funds.

Mr. Hornbuckle stated that he was sympathetic to setting aside funds for low-income housing.

Ms. Swanson Gribkov encouraged the council to re-consider its policy to not waive SDCs for low-income housing projects.

Ms. Keller stated that the issue of providing funds to pay low-income housing development fees had been discussed during budget planning and that she had waited for endorsement of the current proposal from the Housing Policy Board before bringing it to the council. She said her proposed amendment would eliminate "holding hostage" support for low-income housing developments until later discussions by the council.

Mayor Bascom reminded councilors of the council policy supporting affordable housing and suggested that discussion of creating a fund for its development fees was possible in connection with the staff recommendation to consider other uses of one-time monies at the October 9, 1995, meeting of the council.

Mr. Wong reminded councilors that the current General Fund Contingency Fund contained approximately \$551,000 and that a scoping session on its use was scheduled for the third week of October.

Mr. Gleason observed that the council had more goals than resources. He suggested that the City's General Fund needed to be stabilized.

Ms. Nathanson observed that one-time resources were not best spent on operating costs and asked if supporting housing projects was such an expense. She said that if the amendment failed, she would recommend that consideration of allocating \$1 million to the Unappropriated Ending Fund Balance be reconsidered at a later time.

Ms. Swanson Gribkov proposed that only \$500,000 of currently available one-time resources be allocated to the Unappropriated Ending Fund Balance and that allocation of the remaining \$500,000 be considered at the October 9, 1995, meeting of the council.

Mr. Torrey stated that he would like more information about the proposals of Ms. Nathanson and Ms. Swanson Gribkov.

Mr. Laue said that the council should continue using established processes for dealing with contingency fund requests rather than establishing a fund as proposed by the amendment. He added that he was concerned that the amendment proposed control of City funds by an intergovernmental body.

Mr. Farr stated that he was supportive of the intent of the amendment, but needed additional information before voting to approve it.

Ms. Nathanson suggested that the issue of dealing with the proposed low-income housing fund be referred to the Budget Committee for a recommendation. Ms. Keller observed that the purpose of the current council meeting was to make decisions about dividing up currently available resources.

The motion to amend the motion was defeated; 5:3, with Mr. Farr, Ms. Keller, and Ms. Nathanson voting in favor.

Ms. Swanson Gribkov moved, seconded by Mr. Farr, to amend the motion as follows: to allocate currently available one-time resources to the General Fund, as follows: 1) \$400,000 to the FY96 Reserve for Revenue Shortfall (plus amount identified for lost revenue to Municipal Court); and 2) ~~\$1 million~~ \$500,000 to the Unappropriated Ending Fund Balance; ~~and 3) to hold allocating an additional \$500,000 for further discussion.~~ The motion to amend the motion was adopted; 5:3, with Mr. Boles, Mr. Laue, and Mr. Hornbuckle voting opposed.

The motion as amended was adopted; 7:1, with Mr. Hornbuckle voting opposed.

2. Capital Budget

Ms. Nathanson moved, seconded by Mr. Laue, to allocate currently available one-time resources to the General Fund, as follows: 1) \$900,000 to the FY96 General Capital Budget; 2) \$900,000 to the FY97 General Capital Budget; and 3) \$184,000 to fund the additional cost to open the Bailey Hill Fire Station, as recommended by the Council Committee on Public Safety on September 21, 1995.

Ms. Swanson Gribkov asked if the effect of the motion was to make \$1.9 million available to the General Capital Budget in FY96 and FY97. Mr. Wong replied that it was intended to do so, but that effects of passage of the proposed Sheriff's Levy or an economic downturn could affect that intention.

Mr. Boles said he would not vote for the motion because he felt the entire amount should be allocated to the Capital Budget. He said he would consider any proposal, including a serial levy, to support the General Capital Budget.

Ms. Keller moved, seconded by Ms. Nathanson, to amend the motion, as follows: to allocate currently available one-time resources to the General Fund, as follows: 1) ~~\$900,000~~ \$1.8 million to the FY96 General Capital Budget; ~~and 2) \$900,000 to the FY97 General Capital Budget; and 3) \$184,000 to fund the additional cost to open the Bailey Hill Fire Station, as recommended by the Council Committee on Public Safety on September 21, 1995.~~

Ms. Nathanson said that she was intrigued by the proposal because it would ensure that the full amount would be available to the General Capital Budget and would allow "catch up" on capital maintenance projects which had been delayed for too long. She added that cost savings might result from contract work being undertaken at an earlier date.

Ms. Swanson Gribkov observed that it might not be feasible for capital maintenance projects to be undertaken at the level made possible by the proposed amendment. Mr. Wong concurred, saying that planning was best

accomplished with a consistency of resources, not a variable amount. Mr. Gleason also concurred, explaining that needed personnel and "shut down" costs could more than offset any savings from scheduling early construction. He also said that the construction cycle might lead to lower bids at a later time.

Mr. Boles observed that placing the entire allocation in the FY96 General Capital Budget did not require that it be spent in that fiscal year, but kept it from being "raided" for other concerns before development of the FY97 budget.

Ms. Nathanson moved, seconded by Mr. Laue, that discussion of the item be extended for 15 minutes. The motion was approved, 8:0.

Mr. Hornbuckle proposed that consideration of funding for the entire General Capital Budget be placed in a citizen's preferential voting ballot measure to include items such as the following:

- Ten-year serial levy
- No funding
- Prepared meals tax
- Business income tax
- Personal income tax

Voting on the motion to amend resulted in a tie; Mr. Boles, Mr. Hornbuckle, Ms. Keller, and Ms. Nathanson voting in favor; Mr. Farr, Mr. Laue, Ms. Swanson Gribkov, and Mr. Torrey voting opposed.

Mayor Bascom voted opposed to the motion to amend, resulting in the defeat of the motion.

The original motion to allocate currently available one-time resources to the General Fund to the Capital Budget was adopted; 6:2, with Mr. Boles and Mr. Hornbuckle voting opposed.

3. Street Crimes Component of Community Policing

Mr. Laue referred to his memorandum dated September 26, 1995, regarding a recommendation of the Council Committee on Public Safety to fund the Street Crimes component of Community Policing.

Ms. Nathanson moved, seconded by Mr. Laue, that the September 21, 1995, recommendation of the Council Committee on Public Safety be approved, allocating \$935,000 of currently available one-time resources to the General Fund to fund the Street Crimes Component of Community Policing.

Mr. Boles observed that the proposal was in conflict with the council's adopted policy to not use one-time resources for operational expenses. He suggested that unless the policy was changed, a different source of revenue

should be used to fund community policing operations. Mr. Torrey responded that the proposal was to make start up funds available, not operational expenses. He added that community policing had been determined to be the council's top priority goal.

Ms. Keller suggested that it was misleading to call the program proposed for the allocation of funds the "Street Crimes Component of Community Policing" because it was what had been called the Rapid Deployment Unit, a reactive program. She agreed with Mr. Boles that the allocation was for operational expenses and suggested that to make the proposed allocation would result in forced reductions to other programs in the future to maintain its operation.

Mr. Laue stated that community policing needed to include proactive dealing with street crime. He added that the Department of Public Safety (DPS) was already understaffed to fulfill its reactive roles. He reminded councilors that the Street Crimes Unit had proven successful in the past and that its existence supported patrol and other units of the department.

Mr. Farr agreed with Mr. Laue and encouraged support of the motion.

Mr. Hornbuckle said he supported establishing a street crimes unit, but observed that the motion did not address the more basic need to redistribute economic resources.

Ms. Nathanson said that much of the proposed allocation was for training and equipment and would be an investment in the future. She added that it would also reduce current needs for police overtime in emergencies which negatively affected financial resources and the physical health of officers.

Mr. Boles said he supported establishing a street crimes unit, but reminded councilors of the policy to not create staff positions for which continuing funding was not determined.

Ms. Keller said she opposed the motion because it was not a solution to street crime but a temporary coverup of the problem. She said she also opposed it because the current allocation would result in future cuts to other needed programs.

Mr. Torrey stated that he supported the motion and said that future funding for continuation of the street crimes unit would be determined at a later date.

The motion to allocate currently available one-time resources to the General Fund to fund the Street Crimes Component of Community Policing was adopted; 5:3, with Mr. Boles, Mr. Hornbuckle, and Ms. Keller voting opposed.

Mayor Bascom stated that discussion and decision about allocation of approximately \$500,000 of additional currently available one-time resources to the General Fund would be deferred until the October 9, 1995, meeting of the City Council.

Mayor Bascom declared a short recess.

C. Proposed Sheriff's Levy

Mr. Wong distributed a document entitled "Assessed Value and Tax Rate Information." He reviewed data and graphs included in the document which described the impact of the proposed Sheriff's Levy on homeowners, the overlapping tax rate created by the levy, historical and projected changes in the assessed value of Lane County real estate and its effects on tax rates, and historical and projected changes in the assessed value of Eugene real estate.

Mr. Laue explained the "two tiered" nature of the proposed levy and how it would free approximately \$12 million of County General Fund revenue previously committed to expenses of the Sheriff's Office.

Mr. Boles observed that problems in funding public safety programs existed county-wide and that he favored interjurisdictional attempts to resolve them.

Ms. Swanson Gribkov reviewed a memorandum from Ms. Norris dated September 29, 1995, regarding the Sheriff's Levy Proposal distributed with the agenda of the meeting. She explained that replacement of the current County levy which supported the Sheriff's Office was included in the proposed levy.

In response to a question from Ms. Nathanson about changes in State corrections practices, Mr. Gleason explained that it was anticipated that 175 persons formerly incarcerated in State prisons each year would now be housed in the County jail. He reported that \$59 million had been allocated to assist counties with construction to meet new requirements. He said that Lane County was anticipating a \$2 million annual increase in Sheriff's Office operating expenditures because of the changes. He added that capital investments and juvenile justice system changes were not included in the estimate.

Ms. Swanson Gribkov reiterated the need for a system-wide approach to Lane County justice programs. She warned that it was important to identify the concern as a prerequisite for support by the Eugene City Council of the proposed levy.

Mr. Laue reported on meetings of the committee formed to plan the County's response to Senate Bill 1145 and the County Leadership Team dealing with the levy.

Mr. Gleason said that the Sheriff appeared to be willing to discuss the proposed levy with the various jurisdictions, but that the justice system did not currently operate as a unified system in the County.

Mr. Hornbuckle said that there were many reasons to oppose the proposed levy.

Mr. Torrey said that he wanted to learn if it was possible to raise the proposed funds without using the levy mechanism because the current proposal would raise the level of property tax close to the cap prescribed by Ballot Measure 5. Mr. Laue commented on various alternatives for raising revenue to

support the Sheriff's Office. Mr. Gleason suggested that consideration be given to a two-step implementation of the levy, with replacing the expiring serial levy being the initial stage.

Mr. Laue said that members of the Board of County Commissioners appeared to be favoring the levy proposal.

Ms. Nathanson observed that the "bottom line" to determine support of the proposed levy should be whether it would provide a positive impact on the quality of life for Eugene citizens.

Mr. Laue asked if council members would endorse the proposed levy if it supported development of community policing as developed in the long-range policing plan, emphasized proactive and preventive police work, and had determined that a levy was the only feasible method of raising the necessary revenue.

Ms. Keller suggested that community policing should be instituted in Eugene with a citizen advisory body reporting to the City Council.

Ms. Nathanson supported Mr. Laue's approach.

Mayor Bascom requested that information be provided to the council on moving to a confederated model of Lane County public safety services.

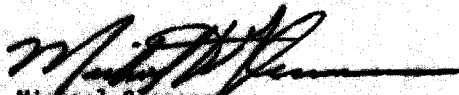
Mr. Torrey said he agreed there was a need to support the Sheriff's Office, but agreed with Mr. Laue about the need to endorse the proposed levy only if it supported the concepts of community policing. He suggested that consideration be given to cutting costs by privatizing jail management or using lower-paid non-sworn Sheriff's officers in management roles.

Mr. Whitlow stated that DPS staff was preparing a response to the proposed Sheriff's Levy for the Council Committee on Public Safety and would submit it during the week of October 9.

Mr. Laue expressed appreciation for the discussion of the proposed levy by council members.

The meeting adjourned at 8:15 p.m.

Respectfully submitted,


Micheal Gleason
City Manager

(Recorded by Dan Lindstrom)
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