

# EUGENE CITY COUNCIL

## AGENDA ITEM SUMMARY



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### Public Hearing and Action: Resolution Adopting a Supplemental Budget; Making Appropriations 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 22, 2015  
Department: Central Services  
[www.eugene-or.gov](http://www.eugene-or.gov)

Agenda Item Number: 4  
Staff Contact: Twylla Miller  
Contact Telephone Number: 541-682-8417

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#### **ISSUE STATEMENT**

Council approval of the second Supplemental Budget (SB2) for Fiscal Year 2014-2015 (FY15) 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 or current budget period and that requires a change in financial planning." 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**

The Supplemental Budget that occurs in June of a fiscal year is usually much smaller than the one that occurs in December. This Supplemental Budget recognizes new revenues and authorizes changes in legal levels of appropriations for the current fiscal year (FY15). A summary of items included in this supplemental budget is presented below:

#### **General Fund**

- Decrease Beginning Working Capital by \$205,585 to correct a data entry error from FY15 Supplemental Budget 1 and decrease Reserve for Revenue Shortfall by the same amount.
- Rebudget \$50,000 in FY14 grant revenue from the State Justice Institute to complete Caseflow Management Assessment work that occurred in FY14 and FY15, and increase Central Services department operating appropriation authority by the same amount in order to provide the Municipal Court with the appropriation authority that is needed to finish up the services that the City has committed to under the terms of this grant.
- Recognize \$311,301 in additional revenue from multiple sources including Spay/Neuter Clinic medication sales (\$105,000), City of Springfield Logistics and EMS services and supplies contract (\$135,000), /State-reimbursed hazmat training and service calls

(\$27,500) and State Fire Marshal's Office and Federal Government for conflagration fires for backfill and overtime (\$43,801). Increase Central Services department operating appropriation authority by \$105,000 to cover the purchase of additional medications to sell to the public. Increase Fire and Emergency Medical Services department operating appropriation authority by \$206,301 to cover the costs incurred by responding to hazmat calls, training and backfill/overtime for conflagration fires.

- Increase Police department operating appropriation authority by \$549,000 from the Reserve for Revenue Shortfall for increased personnel costs associated with arbitration award in union negotiations.
- Increase Central Services department operating appropriation authority by \$475,000 from the Reserve for Revenue Shortfall for various projects. The Community Justice System Initiative (\$300,000) has two goals: Eliminate the current Municipal Court backlog of approximately 5,000 cases via court disposition, or via dismissal of cases where no substantial City interest is served by the prosecution or where there are noncriminal alternatives; and to provide backfill to the staff at the Eugene Municipal Court and the City Prosecutor's Office to implement the redesigned Community Justice System in FY16. Funding for court-appointed attorney costs in the Eugene Municipal Court (\$125,000) is related to an increase in disposition of cases represented by the court's indigent defense attorneys. The increase is primarily due to the increased focus on resolving older cases lingering in the court system. Funding to provide aid for the Kathmandu earthquake recovery efforts (\$50,000) was approved by City Council at their May 5, 2015, meeting.
- Transfer \$158,096 to the General Capital Projects fund for the purchase of a multi-use path near Civic Stadium. Funds come from General Contingency (\$37,000) and the Reserve for Revenue Shortfall (\$121,096).

### **Solid Waste and Recycling Fund**

- Decrease Beginning Working Capital by \$100,000 to correct a data entry error from FY15 Supplemental Budget 1 and decrease Balance Available by the same amount.

### **Community Development Fund**

- Recognize \$60,000 in grant revenue from Business Oregon for asbestos removal at 942 Olive Street, and increase Planning and Development department operating appropriation by the same amount.
- Recognize \$1,382,513 in revenue for a large loan repayment due to the sale of the downtown Washburn property by Beam and the accompanying repayment of HUD 108 loan to the U.S. Department of Housing and Urban Development and partial payment of the EECBG (ARRA Grant) loan to the U.S. Department of Energy. The balance of BEDI loan repayment to carry forward to FY16 to be used for a Community Development Block Grant-approved project/loan.

### **General Capital Projects Fund**

- Expend and receive \$4,100,000 for the purchase of Civic Stadium from the 4J school district.
- Receive \$158,096 in a transfer from the General Fund for the purchase of the multi-use path near Civic Stadium and increase Capital Projects appropriation by the same amount.



### **Transportation Capital Projects Fund**

- Recognize \$930,424 in multiple grants including; Oregon Department of Transportation (ODOT) grant for signal intersect improvements at Coburg Road and 18th Avenue (\$614,099), ODOT grant for South Bank Path: Knickerbocker Bridge (\$221,325), and Lane Council of Government grant for regional bike counters (\$95,000), and increase Capital Projects appropriation by the same amount.

### **Stormwater Utility Fund**

- Recognize \$19,800 in grant revenue from Oregon State Weed Board for Ludwigia removal phase 3 at Delta Ponds, and increase Public Works department operating appropriation authority by the same amount.

### **Ambulance Transport Fund**

- Recognize \$116,000 in additional revenue from multiple sources including the City of Springfield Logistics and EMS services and supplies contract (\$81,000) and the University of Oregon and other customers related to medic stand-by overtime and dispatch revenue (\$35,000), increase Fire and Emergency Medical Services department operating appropriation authority by the same amount to cover the expenses associated with the revenue.

### **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 adoption of the attached resolution adopting the Supplemental Budget.

### **SUGGESTED MOTION**

Move to adopt Resolution 5132, adopting a Supplemental Budget; making appropriations for the City of Eugene for the Fiscal Year beginning July 1, 2014, and ending June 30, 2015.

**ATTACHMENTS**

- A. Transaction Summary
- B. Resolution

**FOR MORE INFORMATION**

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