#### **MINUTES**

# Eugene City Council Work Session Eugene, Oregon 97401

May 21, 2025 12:00 p.m.

**Councilors Present:** Eliza Kashinsky, Matt Keating, Alan Zelenka, Jennifer Yeh, Mike Clark, Greg Evans, Lyndsie Leech, and Randy Groves

Mayor Knudson opened the May 21, 2025, Eugene City Council Work Session in a virtual format.

### 1. WORK SESSION: Council Discussion of Revenue Options (Continued)

City Manager, Sarah Medary, and Assistant City Manager, Matt Rodrigues, presented revenue options.

#### **Councilor Discussion:**

- Councilor Yeh expressed appreciation for the explanation of budget options; asked if the \$4.7 million budget scenario includes the Office of Equity and Community Engagement (OECE) sponsorships, grants, and neighborhood matching grants, or staffing only.
- Councilor Leech acknowledged the difficult position and ongoing uncertainty city staff have faced; stated support for the stormwater fee; noted concerns about high administrative costs and implementation challenges of other options; supports the fee as a way to preserve essential services while future planning; asked for clarification on the alternative response position funding; asked if Intergovernmental Relations is being cut; stated support for continued funding of the Human Rights Commission and neighborhood associations; noted their importance for community communication and strategic goals around belonging.
- Councilor Groves acknowledged the importance of services like Crisis Assistance Helping Out On The Streets (CAHOOTS), animal services, and neighborhood programs to the community; supports the \$4.7 million option, citing lower administrative costs and quicker implementation compared to the other options; stated concern for services like libraries, pools, and community centers being cut; asked how the City is managing expectations and workload for remaining employees to prevent burnout; noted that increased workloads lead to the loss of valuable staff; stated a desire to consider this in future planning.
- Councilor Zelenka asked to clarify information in the chart presented; asked if the \$3.5 million in prior cuts are included or in addition to the cuts shown in the chart; noted that administrative fees are a necessary costs of doing business; stated that if \$9.5 million were collected in fees, it would cover the administrative costs; asked for clarification on what additional cuts come with the \$4.7 million stormwater option.

- Councilor Clark thanked staff for their hard work and for enduring uncertainty during the budget process; noted that many people signed a petition to vote on the fire service fee; believes that there is a need to rebuild community trust; noted the importance of compromise and collaboration; supports the \$4.7 million option as the most financially and politically viable; asked staff to explain the metrics used to estimate the \$500,000 noncompliance figure in the presentation.
- Councilor Kashinsky stated appreciation for staff and their work in a difficult situation; asked whether administrative costs would have applied if the fire service fee was implemented; asked what the administrative cost was for the fire service fee; noted that administrative costs are still built into fees; expressed frustration that budget cuts will be made without fully involving fire service fee supporters; believes fee opponents have disproportionately shaped Council's decisions; noted the importance of creating a structurally sustainable budget; stated that the \$4.7 million fee protects key services only; believes cutting communication staff and sustainability programs is shortsighted; supportive of slightly higher administrative fees to maintain programs essential for solving long-term challenges; stated concerns about continuously pushing budget issues into the future.
- Councilor Keating stated that there are always implementation costs for new revenue systems; expressed concern that the \$4.7 million and \$6 million options may undervalue critical services and staff impacted; asked if the "good, better, best" framing of the proposed scenarios accurately reflects the level of services stabilized or restored; asked if a six-year sunset is possible on the proposed options; proposed matching the sunset length to the funding level: \$8 million for four years, \$6 million for six years, \$4.7 million for 10 years.
- Councilor Evans supports the \$4.7 million option over four years as a short-term compromise to maintain key services; opposes a six-year sunset, prefers a four-year limit to avoid future budget constraints; noted that using the existing stormwater billing system avoids additional administrative costs.
- Councilor Zelenka stated the \$6 million and \$4.7 million scenarios result in cuts he believes are unacceptable; stated decisions should be based on the impact of service cuts, not administrative costs; supports the \$8 million option with a six-year sunset; opposes a sunset on the stormwater fee; noted concern for revisiting the same issue in four years without a long-term plan; asked the Council to consider what actions will be taken during the fee period to avoid repeating the same budget crisis.
- Councilor Clark stated the current discussion is focused on the revenue mechanism, not program funding decisions; noted the \$4.7 million stormwater option allows for additional one-time flexible adjustments; stated support for a four-year sunset; stated that future Councils can make different decisions if desired.
- Councilor Kashinsky stated that a four-year sunset is too short for any option and that longer sunsets make sense with higher revenue levels to ensure long-term return; stated concern that the current proposals are not true compromise; believes the proposed stormwater fee does not address community concerns about administrative complexity and lack of clarity; opposes using the stormwater fee as a short-term fix that sacrifices services to appease fee opposers.

- Councilor Yeh asked if a four-year sunset instead of six years could impact the City's credit rating; is open to a six-year sunset with a review at four years; noted that future Councils can revise the timeline; believes six years allows for community outreach and education.
- Councilor Evans asked the City Manager how implementation of a \$6 million revenue option with a six-year sunset would work; clarified that a \$4.75 million fee with a six-year sunset gives more flexibility, without extra administrative costs; stated this option is a practical way forward.
- Councilor Groves asked what bond or levy renewals align with a four- or six-year timeline; noted this decision buys time to review the budget and explore alternatives; noted longer sunsets often mean longer timelines; stated the need for urgency to avoid continual catch-up; asked staff to confirm a levy contributes to compression, and a bond does not.

**MOTION:** Councilor Evans, seconded by Councilor Leech, move to direct the City Manager to initiate a stormwater fee amendment pursuant to Chapter 6 of the Eugene Code that proposes a fee increase that would generate approximately \$4.7 million in new stormwater fee revenue until July 1, 2029 and move to direct the City Manager to schedule a work session in the fall of 2025 to discuss creating, in accordance with Eugene Code 2.013, an ad hoc Citizen Fiscal Stability Advisory committee to review the city's expenditures, services, and potential revenues.

**MOTION:** Councilor Kashinsky, seconded by Councilor Zelenka, moved to amend the motion to replace July 1, 2029, to July 1, 2031.

### **Councilor Discussion:**

- Councilor Kashinsky noted that the fire service fee discussion has been ongoing for over two years; noted that even with quick decisions, implementing alternative solutions takes time; stated economic growth impacts will take time to appear in tax rolls; stated a longer sunset allows for thoughtful discussions and solution implementation; believes extending the sunset to six years avoids needing to extend the sunset prematurely or rush decisions; believes four years is too short for effective discussion and implementation.
- Councilor Groves asked to clarify the language of the original motion.
- Councilor Clark stated the fire service fee would have been for a longer time period; is willing to compromise at a four-year sunset; believes that a longer sunset could lead to community pushback; is in favor of a four-year sunset to avoid petitions and opposition from the community.
- Councilor Yeh stated that community engagement and implementation will take time; would prefer to avoid overlapping discussions about extending the fee while negotiating new solutions; supports a six-year sunset to allow ample time for these processes; noted that Council can end the fee earlier if desired; believes it is more sensible to allow extra time than to risk confusion with shorter timelines.

- Councilor Leech supports the amendment to extend the sunset to six years; noted the reduction from \$11.5 million to \$4.7 million is a major concession; wants to protect the budget and improve forecasting stability.
- Councilor Groves noted many have spoken in support of specific programs; stated those opposing cost increases are a significant part of the community; noted the importance of acknowledging all community perspectives; supports the four-year sunset as a compromise; in favor of a shorter timeframe that can be extended if necessary.
- Mayor Knudson stated budget discussions are part of a broader conversation about meeting community needs; noted several upcoming funding measures within the four- to six-year timeframe; expressed the importance of long-term stability and ongoing community dialogue; noted today's decision is part of a continuous process of engagement and planning with the community.

## **VOTE: 5:3 PASSED**

**IN FAVOR:** Kashinsky, Keating, Zelenka, Yeh, and Leech **OPPOSED:** Groves, Clark and Evans

Councilor Discussion:

- Councilor Kashinsky noted she will not support the motion because it does not allocate enough funding to restore services that are being cut; supports the services that will be preserved by the proposal; stated more services should be saved, and this compromise does not go far enough.
- Councilor Keating requested a more complete funding list with the proposed \$4.7 million option; requested clarification between proposed and amended budgets; stated preference for a longer sunset; requested information on the newly directed \$4.7 million budget scenario.

### VOTE ON MAIN MOTION AS AMENDED: 6:2 PASSED

**IN FAVOR:** Keating, Yeh, Clark, Evans, Leech and Groves **OPPOSED:** Kashinsky and Zelenka

**MOTION:** Councilor Evans, seconded by Councilor Leech, moved to repeal Ordinance 20171, An Ordinance Establishing a Fire Service Fee and Adding New Sections 6.760, 6.765, 6.770, 6.775, 6.780, 6.785, and 6.790 to the Eugene Code 1971.

### Councilor Discussion:

• Councilor Clark – asked staff to confirm that the deadline to remove the current motion from the ballot is September 3, 2025; is opposed to removing the fire service fee from the ballot; stated interest in receiving more public input on this decision; believes the community should have the opportunity to weigh in on the issue; asked for further discussion before deciding to withdraw the measure.

- Councilor Leech is not in favor of repealing the ordinance at this time; is in favor of hearing more public comment on this topic; supports further conversation on the issue.
- Councilor Keating asked staff if repealing the fire service fee would provide more clarity to the budget team; asked which route provides more certainty for staff and the Budget Committee.

**MOTION:** Councilor Leech, seconded by Councilor Keating, moved to postpone to a date prior to Council's summer break (July 16).

Councilor Discussion:

• Councilor Evans – supports tabling the vote of the motion to a date certain to allow for further public input.

**VOTE: 7:1 PASSED IN FAVOR:** Kashinsky, Keating, Zelenka, Yeh, Evans, Leech, and Groves **OPPOSED:** Clark

Mayor Knudson adjourned the meeting at 1:29 p.m.

Respectfully submitted,

Katie LaSala City Recorder

*(Recorded by Sara McKinney)* Link to the webcast of this City Council meeting <u>here</u>.