

ADMINISTRATIVE ORDER NO. 43-26-02
of the
City Manager of the City of Eugene

**REGARDING THE OPPORTUNITY TO COMMENT ON A PROPOSAL
TO ESTABLISH A RISK MANAGEMENT SERVICES CLAIM
RECOVERY ADMINISTRATIVE FEE.**

The City Manager of the City of Eugene finds as follows:

A. Section 2.020 of the Eugene Code, 1971, authorizes the City Manager to determine and set fees and charges to be imposed by the City for services, goods, use of municipal property, and licenses and permits.

B. The City frequently pursues recovery claims to seek reimbursement for losses or damages incurred. Recovery claims include (but are not limited to): traffic infrastructure, trees and other vegetation, graffiti abatement, parking garage infrastructure, public amenities, hazardous material / biohazard clean up, etc. The City incurs costs to investigate and manage recovery claims caused by intentional or negligent acts of others. Therefore, I propose establishing a 28% administration fee (applied to the net claim amount) on recovery claims. I further propose that the City be able to reduce or waive the fee in the following circumstances: with approval from the Enterprise Risk Manager, ERC Director, Central Services Director, Assistant City Manager, City Manager, City Attorney, or their designees; with direction from City Council; or for recovery claims involving other local municipalities, Lane County, and local publicly owned utilities. Reasons for reducing or waiving the fee may include indigent defendant, community interest, and as a means to negotiate and resolve disputed claims.

C. In determining whether to establish an administrative fee for recovery claims, in accordance with EC 2.020(2), I have considered the following factors: applicable policies, enactments and directives of the City Council; the amount charged for these services by the City in the past; the full costs of providing the services supported by the fees; the amounts charged by other comparable providers; and the revenue needs of the City as determined by the adopted City budget. See Exhibit B.

On the basis of these findings, I order that a copy of this Order with its exhibits shall be provided to the Mayor and City Councilors, and a Notice substantially conforming to the Notice attached as Exhibit A shall be made available to any persons who have requested such notice, posted at two locations at City Hall, and published in the Register Guard Newspaper.

Dated this 13 day of April, 2026.



Matthew Rodrigues
City Manager Pro Tem



Mia Cariaga
Executive Director, CS



Keri Beraldo,
ERC Director

NOTICE OF OPPORTUNITY TO COMMENT ON PROPOSAL TO ESTABLISH A RISK MANAGEMENT SERVICES CLAIM RECOVERY ADMINISTRATIVE FEE.

Pursuant to the provisions of Section 2.020 of the Eugene Code, 1971, and as a result of an investigation of the revenue needs of the City in investigating and managing recovery claims caused by intentional or negligent acts of others, the City Manager is proposing to establish a 28% administration fee on recovery claims.

Comments on the proposed amendments may be submitted in writing to Paul Furnari, Enterprise Risk Manager, 500 E. 4th Ave. Suite 102, Eugene, Oregon 97401, or via e-mail [to pfurnari@eugene-or.gov](mailto:pfurnari@eugene-or.gov). To be considered, written and e-mail comments must be received within 15 days from the date posting as indicated below. If the City Manager chooses to take action after considering the comments received, the proposed or modified fees will be adopted by administrative order.

Matthew Rodrigues, City Manager Pro Tem

Date of Posting: April 15, 2026

Date of Publishing: April 15, 2026

City Manager's Findings
Proposed Risk Management Services Claim Recovery Administrative Fee

Pursuant to Section 2.020(2) of the Eugene Code, 1971, the City Manager has considered the following factors in determining the proposed risk management recovery claim fee schedule amendments:

(a) Applicable policies, enactments and directives of the Council.

Findings:

Council created the risk management fund in 1978, via Ordinance No 18247. Eugene Code (EC) 2.585 states that "It is the objective of the city to place, maintain, and carry-over from year to year in that fund, an amount sufficient to meet the city's future liabilities, including but not limited to, developed claim costs, incurred but not reported losses, larger than anticipated judgments, employee benefit programs, and other contingencies." Furthermore, it directs that "the city manager or designee is to endeavor to maintain in the risk management fund a reserve amount for estimated losses, the estimated costs of all insurance premiums, and an amount to defray administrative costs."

EC 2.582(2) establishes that "it shall be the duty of the city manager or the manager's designee to collect all claims in full and to take all actions necessary in the discretion of the city manager or the manager's designee to collect the claims." "Claim" is defined as "any sum due the city from another and includes but is not limited to taxes, assessments, fines, fees, charges, rents, penalties, payments, amounts due the city on contracts or arising from damages sustained by the city. It shall also include any interest due thereon."

(b) The amount charged by the City in the past.

Findings:

No overhead fee has been charged in the past.

(c) The full costs of providing the service supported by the fee.

Findings:

The full costs vary depending on the complexity of the recovery claim and the amount of work required to bring the claim to resolution. Costs include- but are not limited to- direct and indirect costs for administrative and general expenses, claim processing, training, and information technology. Costs are currently budgeted as part of our overall General Liability program, but a reasonable estimate is about \$150,000. This amount is likely to rise in the future due to inflationary pressures and an increasing number of complex recovery claims.

(d) The amounts charged by other comparable providers.

Findings:

EWEB charges 28% of the claim amount.

Lane County Public Works has an overhead charge that is rolled into claim amount; the

exact percentage is not clear at this time.

- (e) **The revenue needs of the City as determined by the adopted city budget.**

Findings:

This fee offsets costs incurred by the City to process and manage claims caused by intentional or negligent acts of others. The fee will be retained by the Risk Fund and used to offset overall risk rates for the organization.

Factors listed above that are irrelevant or inapplicable in determining the amount of the fees, if any: