

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

**ESTABLISHING 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.** Pursuant to the above authority, on April 13, 2026, Administrative Order No. 43-26-02 was issued ordering that notice be given of the opportunity to submit written comments on a proposal to establish a 28% administration fee on recovery claims. The Notice specified that comments on the proposed amendments would be received for 15 days from April 15, 2026, the publishing and posting date of the Notice. No comments were received within the time or in the manner described in the Notice.

**C.** Based on my investigation pursuant to the provisions of Section 2.020 of the Eugene Code, 1971, I find that a 28% administration fee on recovery claims should be set as proposed. (See Exhibit A.)

**On the basis of these findings, I order that:**

**1.** An administration fee of 28%, applied to the net claim amount, on recovery claims is hereby established as of the effective date of this Order.

**2.** The City may 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.

**Dated and effective this 5th day of June, 2026.**

  
Jenny Haruyama (Jun 5, 2026 16:27:40 PDT)

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**Jennifer D. Haruyama**  
**City Manager**

**City Manager's Findings**  
**Establishing a 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:**

MC  
Mia Cariaga

Mia Cariaga, CS Executive Director

KLB  
KLB

Keri Beraldo, ERC Director

PSF  
PSF

Paul Furnari, Enterprise Risk Manager