

City of Eugene City Council

FINANCIAL CONDITION UPDATE
SEPTEMBER 20, 2021



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City of Eugene Experience

Goldman Says Pandemic Is Shaping a More Productive U.S. Economy

Oregon unemployment rate improves, though hiring slows slightly

US economy grows 6.4% in Q1, and it's likely just the start

ECONOMY | U.S. ECONOMY

U.S. Existing-Home Prices Hit Record High in May

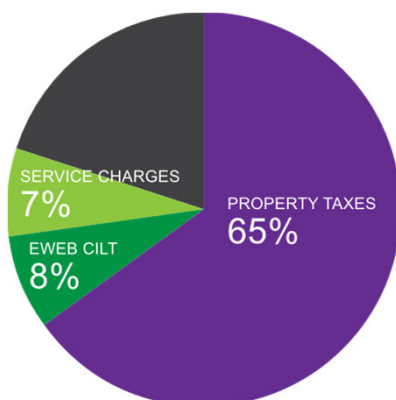
Year-over-year price increase is biggest recorded in real-estate group's data going back to 1999



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General Fund Revenues

Top 3 revenue types represent 80% of General Fund revenues



Revenue Type	Actual Average Annual Growth Rate (FY17-19)
Property Taxes	4.2%
EWEB CILT	0.5%
Service Charges	5.1%

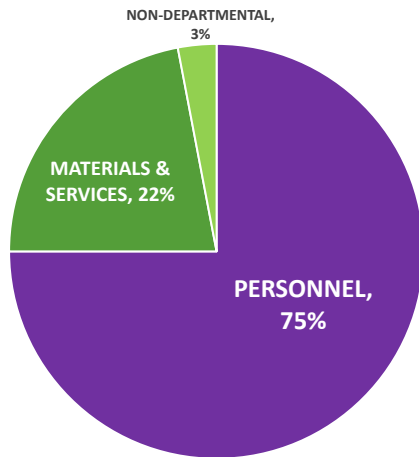
All General Fund Revenues

Timeframe	Average Annual Growth Rate
FY17-19 (Actuals)	5.2%
FY20-22 (Actuals, EE, Bud)	1.5%
FY23-27 (Projected)	3.7%



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General Fund Expenses



Expense Type	Budget Average Annual Growth Rate (FY18-20)
Personnel	4.7%
Materials & Services	3.3%
Non-Departmental	3.6%

Revenues vs. Expenses Growth Rate

Timeframe	Revenues	Expenses
FY17-19 (Actuals)	5.2%	5.0%
FY20-22 (Actuals, EE, Bud)	1.5%	2.0%
FY23-27 (Projected)	3.7%	3.1%



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Financial Goals



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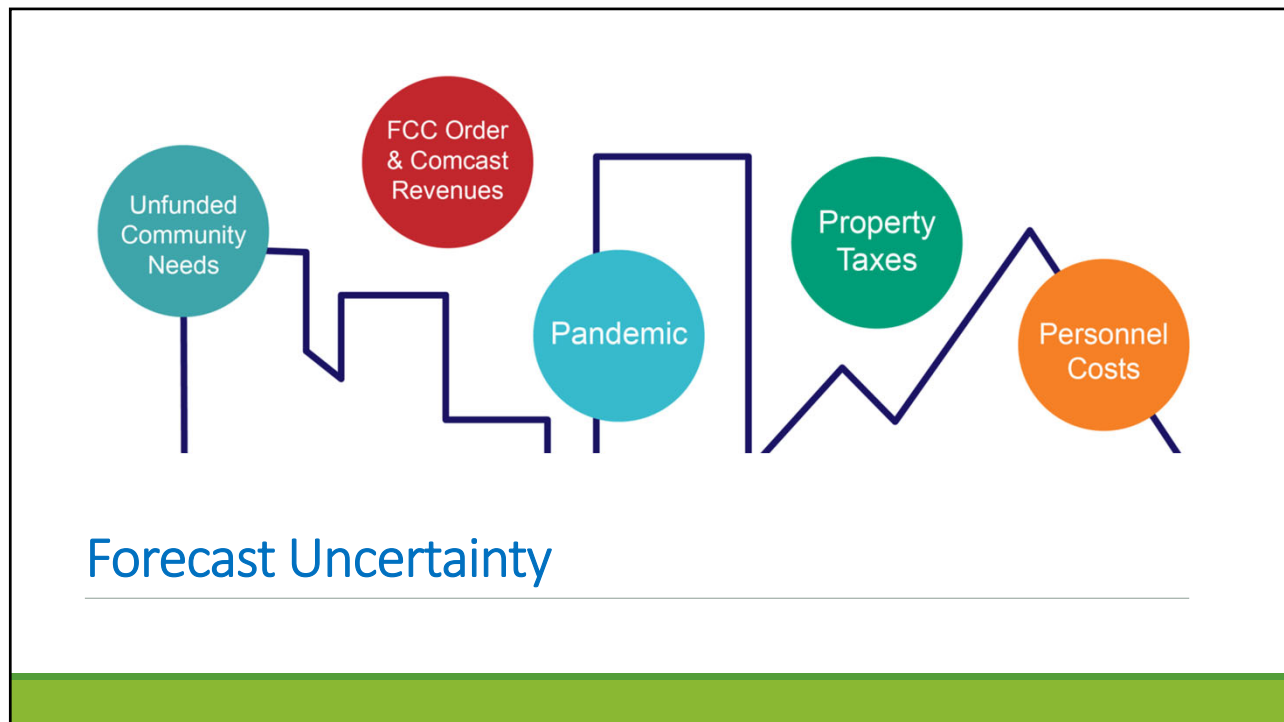
Are we living within our means?
(Surplus/Deficit)

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Do we have an adequate savings account?
(Reserves)



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FY22 Adopted Budget Forecast

	FY22	FY23	FY24	FY25	FY26	FY27
Surplus/(Deficit)	(2,834,005)	(1,288,000)	(1,717,000)	43,000	1,670,000	3,051,000
RRSF	7,626,288	6,338,000	4,621,000	4,664,000	6,334,000	9,385,000
RRSF %	4.5%	3.6%	2.6%	2.5%	3.3%	4.8%

September 2021 Forecast Estimate

	FY22	FY23	FY24	FY25	FY26	FY27
Surplus/(Deficit)	(3,021,005)	(7,818,000)	(11,840,000)	(9,741,000)	(8,352,000)	(7,259,000)
RRSF	7,439,288	(379,000)	(12,219,000)	(21,960,000)	(30,312,000)	(37,571,000)
RRSF %	4.4%	-0.2%	-6.6%	-11.5%	-15.4%	-18.6%



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General Fund Future Reduction Strategies

Minimum Target: Maintain a minimum RRSF of \$4 million per year and at least 4% of expenditures at the end of the forecast period

FY22 Proposed Budget

\$2.5M ongoing FY24+

September 2021 Estimate

\$3.8M ongoing FY23+

+\$9.3M ongoing FY24+

\$13.1M total ongoing



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Funding Considerations



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Financial Considerations

Current Needs

Unfunded Service Needs

General Fund Gap

Reserve Stability

Future Needs

Sustainable Service
System

Bond & Levy Expiration



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Next Steps



- ARPA Work Session (9/29)
- CSI Work Session (10/11)
- Budget Committee (BC)
Meetings (10/20 & 10/27)
- Supplemental Budget BC
Meeting (12/8)
- Supplemental Budget Adoption
(12/13)



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