



Eugene City Council

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EUGENE CITY COUNCIL AGENDA AMENDED

May 21, 2025

12:00 p.m. CITY COUNCIL WORK SESSION

City Council Wednesday work sessions are held using virtual meeting technology. Information about online or other options for access and participation will be available at <https://www.eugene-or.gov/3360/Webcasts-and-Meeting-Materials>

NOTE: This agenda has been amended to provide an updated summary and added attachments

Meeting of May 21, 2025; Her Honor Mayor Kaarin Knudson Presiding

Councilors

Greg Evans, President
Alan Zelenka
Randy Groves
Matt Keating

Lyndsie Leech, Vice President
Jennifer Yeh
Mike Clark
Eliza Kashinsky

12:00 p.m. CITY COUNCIL WORK SESSION

Mayor: I call the May 21, 2025 City Council work session to order.

1. WORK SESSION: Council Discussion of Revenue Options (cont'd)

[Possible motions listed in Agenda Item Summary]

Call to vote.

Mayor: I now close the May 21, 2025 City Council work session.

Adjourn.

The Eugene City Council welcomes your interest in these agenda items. This meeting location is wheelchair-accessible. For the hearing impaired, an interpreter can be provided with 48 hours' notice prior to the meeting. Spanish-language interpretation will also be provided with 48 hours' notice. To arrange for these services, contact the receptionist at 541-682-5010. City Council meetings are telecast live on Metro Television, Comcast channel 21, and rebroadcast later in the week.

El consejo de la Ciudad de Eugene agradece su interés en estos asuntos de la agenda. El lugar de la reunión tiene acceso para sillas de ruedas. Se puede proveer a un intérprete para las personas con discapacidad auditiva si avisa con 48 horas de anticipación. También se puede proveer interpretación para español si avisa con 48 horas de anticipación. Para reservar estos servicios llame al 541-682-5010. Las reuniones del consejo de la ciudad se transmiten en vivo por Metro Television, Canal 21 de Comcast y son retransmitidas durante la semana.

For more information, contact the Council Coordinator at 541-682-5010,
or visit us online at www.eugene-or.gov.

EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



Work Session: Council Discussion of Revenue Options (cont'd)

Meeting Date: May 21, 2025
Department: Central Services
www.eugene-or.gov

Agenda Item Number: 1
Staff Contact: Sarah Medary
Contact Telephone Number: 541-682-5010

ISSUE STATEMENT

The purpose of this item is to provide information on potential revenue options for Council consideration and to provide staff with direction on which, if any, of these revenue options to pursue.

BACKGROUND

There have been a series of work sessions in April and May, as Council has considered revenue options after referral of the Fire Service Fee in March. At the May 14 work session, Council passed the following motions asking for staff to bring back information at the May 21 City Council Work Session for further consideration:

- Directed the City Manager to bring back information to the Council's May 21 work session regarding a stormwater fee increase that would generate \$4.7 million revenue, with \$1.1 million one time, with a 4-year sunset
- Directed the City Manager to prepare an ordinance consistent with the outline set forth in Attachment A of this AIS with alternatives of either an \$8 million dollar or \$6 million dollar revenue generation and have a sunset date of 4 years.

TEMPORARY CITY OPERATIONS FEE

A temporary City Operations Fee would be assessed on developed property and be based on the impervious surface area associated with a stormwater account. A draft ordinance establishing a City Operations Fee is included as **Attachment A**. Several key components of the proposed ordinance and fee structure are described below.

Use of Funds: City Operations Fee revenue will be used to support general city operations, to administer the City Operations Fee, and to support an income-based assistance program. The proposed fee structure is projected to generate either \$6 million or \$8 million in net revenues after accounting for the costs of administration, collection, and income-based assistance.

Obligation to Pay: If a developed property is located within Eugene city limits has an associated stormwater account(s), the person responsible for paying the property's stormwater charge

would also be obligated to pay the City Operations Fee. Developed property is defined as real property on which an improvement exists. Improvements include but are not limited to buildings and other structures, parking lots, utilities infrastructure and outside storage.

Basis of Fee: The City Operations Fee will be based on the total square footage of impervious surface associated with a stormwater account. This basis was selected as this data is currently retained by the city and can be maintained and used for billing over time, regardless of collection mechanisms. Residential properties would be grouped into three categories: small, medium, and large. Commercial, industrial, multi-unit residential and other uses would be grouped into six general services categories to allow for sufficient granularity in rate setting, while still allowing for relative simplicity in the administration of the fee.

Delinquencies: Staff would follow a typical City process for handling delinquent payments, which would include sending multiple late notices if the fee is not paid within 10 days of the due date stated on the bill. If the fee is still owed after multiple collection attempts, delinquent fees may be recovered using a private collection agency.

Income-Based Assistance: A portion of the City Operations Fee revenues will be used to support an income-based City Operations Fee bill assistance program. The qualifications and process for receiving City Operations Fee bill-paying assistance shall be set by the City Manager.

Citizen Fiscal Stability Advisory Committee: The City Manager or City Council will create, in accordance with Eugene Code section 2.013, an ad-hoc Citizen Fiscal Stability Advisory committee to review the City’s expenditures, services, and potential revenues.

Sunset: This is a temporary fee that would sunset and be repealed in four years, unless extended or made permanent by future Council action.

DRAFT RATE SCHEDULE

Per the Council’s adopted motion, the draft ordinance set forth in Attachment A to this AIS includes two rate schedules, reflecting two revenue generation options; one rate schedule that would net \$6 million in revenue, and one rate schedule that would net \$8 million in revenue. If the Council wishes to hold a public hearing on the draft ordinance the Council will need to decide which of the two options it prefers. The motions below reflect the choice between the two revenue options.

The monthly rates needed to generate approximately **\$6 million** in net revenue per year are shown in the table below:

Rate Categories	Monthly City Operations Fee Charge Per Stormwater Service Customer Account
Small Residential	\$2.50
Medium Residential	\$7

Large Residential	\$12
General Service 1	\$17
General Service 2	\$60
General Service 3	\$170
General Service 4	\$383
General Service 5	\$850
General Service 6	\$1,700

The monthly rates needed to generate approximately **\$8 million** in net revenue per year are shown in the table below:

Rate Categories	Monthly City Operations Fee Charge Per Stormwater Service Customer Account
Small Residential	\$3
Medium Residential	\$9
Large Residential	\$15
General Service 1	\$22
General Service 2	\$75
General Service 3	\$215
General Service 4	\$484
General Service 5	\$1,075
General Service 6	\$2,150

To implement the new ordinance, a public hearing would need to occur prior to Council action, with June 16, 2025, being the earliest opportunity for a public hearing.

STORMWATER FEE INCREASE

In June 2024, Council adopted an ordinance that expanded stormwater service fee eligibility to all parks and open space services. This action allows the operations and maintenance costs of city-owned parks and open spaces to be considered as part of the stormwater service rate making process and for efficient billing through the current billing structure in place with Eugene Water & Electric Board (EWEB). Earlier this year, \$1.1 million in General Fund parks and open spaces expenditures were transferred to the Stormwater Utility Fund, funded by an increase in stormwater rates.

Stormwater rates could be increased administratively to fund the \$4.7 million in parks and open space expenditures that are currently in the General Fund, which would allow for \$4.7 million in

General Fund services currently proposed for reduction to be maintained. It is estimated that stormwater rates would increase by 18% to cover the cost of parks and open space programs.

The table below shows the monthly cost to a typical rate payer of: 1) increasing stormwater rates to fund \$4.7 million in parks and open space expenditures, and 2) the cost of implementing a temporary City Operations Fee which generates either \$6 million or \$8 million annually.

Typical Rate Payer	Stormwater Fee Increase	Temporary City Operations Fee	
	\$4.7 Million	\$6 Million	\$8 Million
Medium Residential	\$ 3.50	\$ 7	\$ 9
Local Grocery Store (35,000 sq ft)	\$ 47	\$ 60	\$ 75
Large Commercial (500,000 sq ft)	\$ 672	\$ 850	\$ 1,075

Raising stormwater rates is an administrative process with the Administrative Order signed by the City Manager. City Council is notified of intended rate changes via staff memo. The Administrative Order and Notice detailing the rate increase are prepared and published in the newspaper on two consecutive notice dates. An administrative public hearing is held and written comments are received after which, the final Administrative Order is signed and sent to Council and interested parties. If Council wants to move forward with this concept it is estimated that the administrative process would take nine to ten weeks, with the fee increase likely implemented in August 2025.

PREVIOUS COUNCIL DIRECTION

[April 9, 2025 Work Session](#)

Councilor Evans, seconded by Councilor Leech, moved to direct the City Manager to schedule a work session on April 21, 2025 for further discussion of Council’s options.
Passed 8:0

[April 21, 2025 Work Session](#)

Councilor Leech, seconded by Councilor Zelenka, moved to direct the City Manager to schedule a work session on April 28 and May 14 for further discussion of Council's options.
Passed 8:0

[April 28, 2025 Work Session](#)

Council discussed potential provisions for an alternative fee, including the amount of revenue a fee should generate, the length of time the fee should be in place, citizen input regarding City expenditures, and the name of the new fee. Council provided the City Manager with general feedback to inform the next discussion on May 14, 2025.

[May 14, 2025 Work Session](#)

Councilor Clark, seconded by Councilor Leech, moved to direct the City Manager to bring

back information to the Council's May 21 work session regarding a stormwater fee increase that would generate \$4.7 million revenue, with \$1.1 million one time, with a 4-year sunset.
Passed 7:1 (Opposed by Councilor Kashinsky)

Councilor Evans, seconded by Councilor Leech, moved to direct the City Manager to prepare an ordinance consistent with the outline set forth in Attachment A of this AIS with alternatives of either an \$8 million dollar or \$6 million dollar revenue generation and have a sunset date of 4 years.

Passed 7:1 (Opposed by Councilor Kashinsky)

POTENTIAL COUNCIL MOTIONS

If the Council wants to move forward with a City Operations Fee:

1. Move to direct the City Manager to schedule a June 16, 2025, public hearing on the ordinance set forth in Attachment A to this AIS to generate \$8 million dollars in revenue.

IN THE ALTERNATIVE

2. Move to direct the City Manager to schedule a June 16, 2025, public hearing on the ordinance set forth in Attachment A to this AIS to generate \$6 million dollars in revenue.

IN THE ALTERNATIVE, if the Council wants to move forward with recommending an increase to the City's existing stormwater service fee:

1. 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. The temporary fee increase would be separate and distinct from any regularly-occurring stormwater fee increase that may be proposed prior to July 1, 2029.

AND

2. 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.

ATTACHMENTS

- A. Proposed Ordinance: An Ordinance Establishing a Temporary City Operations Fee
- B. Potential Service Impacts: \$6M Temporary City Operations Fee
- C. Potential Service Impacts: \$4.7M Temporary Stormwater Fee Increase

FOR MORE INFORMATION

Staff Contact: Sarah Medary, City Manager

Telephone: 541-682-5010

Staff E-Mail: smedary@eugene-or.gov

ORDINANCE NO. _____

**AN ORDINANCE ESTABLISHING A TEMPORARY CITY OPERATIONS FEE;
ADDING NEW SECTIONS TO THE EUGENE CODE, 1971; PROVIDING AN
IMMEDIATE EFFECTIVE DATE; AND PROVIDING A SUNSET DATE.**

Section 1. Sections 2.2000, 2.2005, 2.2010, 2.2015, 2.2020, 2.2025, 2.2030 of the Eugene Code, 1971, are added to provide as follows:

2.2000 City Operations Fee – Purpose and Use.

- (1) The provisions contained in sections 2.2000 – 2.2030 of this code are for the purpose of providing general funding for city operations.
- (2) City Operations Fee revenue shall be used to fund general city operations, to administer the City Operations Fee, and to support the income-based assistance program authorized by section 2.2030 of this code.

2.2005 City Operations Fee – Definitions.

For purposes of sections 2.2000 to 2.2030 of this code, the following words and phrases shall have the meanings set forth below, unless the context requires otherwise. Words and phrases not specifically defined below shall have the meanings set forth in section 6.406 of this code.

Developed property. Real property that is located within the corporate limits of the City of Eugene on which an improvement exists. Improvements include but are not limited to buildings and other structures, parking lots, utilities infrastructure and outside storage.

General Service 1. Developed property not defined as small, medium, or large residential, with a footprint of 20,000 square feet or less.

General Service 2. Developed property not defined as small, medium, or large residential, with a footprint greater than 20,000 square feet and less than or equal to 50,000 square feet.

General Service 3. Developed property not defined as small, medium, or large residential, with a footprint greater than 50,000 square feet and less than or equal to 150,000 square feet.

General Service 4. Developed property not defined as small, medium, or large residential, with a footprint greater than 150,000 square feet and less than or equal to 300,000 square feet.

General Service 5. Developed property not defined as small, medium, or large residential, with a footprint greater than 300,000 square feet and less than or equal to 700,000 square feet.

General Service 6. Developed property not defined as small, medium, or large residential, with a footprint greater than 700,000 square feet.

Large residential. Property developed only with a single family dwelling with a footprint of more than 3,000 square feet (including garage).

Medium residential. Property developed only with a single family dwelling with a footprint of more than 1,000 square feet but less than or equal to 3,000 square feet (including garage). Property developed only with a duplex with a total footprint of more than 2,000 square feet but less than or equal to 6,000 square feet (including garage(s)) shall be treated as two medium residential properties.

Person responsible. The owner, agent, occupant, lessee, tenant, contract purchaser or other person that is responsible for paying stormwater sewer service charges under section 6.401 – 6.645 of this code.

Small residential. Property developed only with a single family dwelling with a footprint of 1,000 square feet or less (including a garage). Property developed only with a duplex with a total footprint of 2,000 square feet or less (including garage(s)) shall be treated as two small residential properties.

Stormwater service. The use of the city's stormwater system including, but not limited to, collection of stormwater discharged from property on which development exists and its deposit directly or indirectly into the city stormwater system. The terms "city stormwater system," "development," and "stormwater" have the meanings set forth in section 6.406 of this code.

Stormwater service customer. Any person who has a stormwater service account and is responsible for the payment of the charge for city stormwater service within city limits.

2.2010 City Operations Fee – Establishment and Obligation to Pay.

(1) A City Operations Fee is hereby established and imposed on the person responsible for all developed property located inside the Eugene city limits.

(2) Unless another person responsible has agreed in writing to pay the City Operations Fee and a copy of that written agreement is filed with the city, the person(s) paying stormwater service charges shall pay the City Operations Fee.

2.2015 City Operations Fee - Amount of Fee.

(1) The City Operations Fee shall be based on the impervious surface area associated with the stormwater service customer's account in the manner set forth in subsection (2) of this section and based on the definitions set forth in sections 2.2005 and 6.406 of this code.

(2) The City Operations Fee is established as follows:

[Generates \$8 million in revenue.]

Rate Categories	Monthly City Operations Fee Charge Per Stormwater Service Customer Account
Small Residential	\$3
Medium Residential	\$9
Large Residential	\$15

General Service 1	\$22
General Service 2	\$75
General Service 3	\$215
General Service 4	\$484
General Service 5	\$1,075
General Service 6	\$2,150

[Generates \$6 million in revenue.]

Rate Categories	Monthly City Operations Fee Charge Per Stormwater Service Customer Account
Small Residential	\$2.50
Medium Residential	\$7
Large Residential	\$12
General Service 1	\$17
General Service 2	\$60
General Service 3	\$170
General Service 4	\$383
General Service 5	\$850
General Service 6	\$1,700

(3) The fee established by subsection (2) of this section shall increase annually based on Consumer Price Index, Urban Consumers, all US (CPI-U). Any increases above CPI-U within a 12-month period shall be made by Council resolution.

2.2020 City Operations Fee - Billing.

(1) Receipt of stormwater service will automatically initiate billing for the City Operations Fee established by section 2. of this code.

(2) Unless otherwise agreed to in writing by the city, the City Operations Fee shall be billed monthly and if not paid within 10 days of the due date stated on the bill, the fee owed shall be deemed to be a delinquent fee. Delinquent fees may be recovered by the city using actions allowed by law, including city use of a private collection agency. Costs incurred by the city collecting delinquent fees can be recouped from the person responsible in accordance with the administrative fee order adopted by the city manager pursuant to section 2.020 of this code.

2.2025 City Operations Fee - Income-Based Bill Assistance.

A portion of the City Operations Fee revenues shall be used to support an income-based City Operations Fee bill assistance program. The qualifications and process for receiving City Operations Fee bill-paying assistance shall be set by the city manager.

2.2030 City Operations Fee – Administrative Rules.

The city manager may adopt administrative rules pursuant to section 2.019 of this code in order to implement the provisions of sections 2.2000 to 2.2025 of this code.

Section 2. The City Manager or the City Council will create, in accordance with Eugene Code section 2.013, an ad hoc Citizen Fiscal Stability Advisory committee to review the city's expenditures, services, and potential revenues. The ad hoc advisory committee's charge is to: (1) Help ensure that public funds are being spent efficiently and effectively, aligning with the needs and priorities of the community; (2) help promote transparency in government spending by reviewing and assessing expenditures; (3) provide both business and non-business leaders in the community an opportunity to review and discuss the City's fiscal decisions; and, (4) promote accountability for how taxpayer money is spent.

Section 3. The City Recorder, at the request of, or with the consent of the City Attorney, is authorized to administratively correct any reference errors contained herein, or in other provisions of the Eugene Code, 1971, to the provisions added, amended, or repealed herein.

Section 4. To mitigate impacts on existing City services, it is necessary to amend the City Code to establish the City Operations Fee immediately. Therefore, pursuant to the provisions of Section 32(2) of the Eugene Charter of 2002, with the affirmative vote of two-thirds of the members of the City Council, this Ordinance shall become effective upon adoption by the Council and approval by the Mayor, or passage over the Mayor's veto.

Section 5. This Ordinance shall sunset and be repealed on June 30, 2029, unless extended or made permanent by future Council action.

Passed by the City Council this

____ day of _____, 2025

City Recorder

Approved by the Mayor this

____ day of _____, 2025

Mayor

Potential services that could be funded from a **\$6 million** temporary City Operations Fee. This list contains services that have been most frequently discussed by the community and Council since the Amended Budget has been released:

Dept	Potential Funded Services	Cost (FY26)
CS	Downtown Clean Up and Beautification	\$225K
ESF	Alternative Response Transition*	\$250K
CS	Office of Equity & Community Engagement	\$610K
ESF	Alternative Response Position	\$241K
LRCS	Library Hours Reduction	\$1,317K
LRCS	Amazon Pool Closure	\$574K
LRCS	Sheldon Community Center	\$500K
PDD	Homeless Services Program Transition* (*Service area partially restored)	\$309K in FY27
EPD	Animal Welfare Unit	\$591K
EPD	Animal Services Sheltering Contract	\$200K
EPD	Community Engagement Unit	\$326K
EPD	Volunteers in Policing Unit	\$306K
PW	Parks Engagement and Stewardship	\$152K
PW	Developed Park Maintenance	\$370K
	Total≈	\$6.0 M

*Service area is partially funded

The list below shows the potential services that would **not** be funded by a temporary City Operations Fee if the services on the preceding table were funded:

Dept	Potential Unfunded Services	Cost (FY26)
CS	Reallocate Position Funding	(\$263K)
	Energy Management Program (1 FTE)	(\$113K)
	Emergency Management (1 FTE)	(\$86K)
	Position Vacancy (0.5 FTE)	(\$52K)
	Employee Resource Center Capacity (1.38 FTE)	(\$197K)
	Central Services Communications (1 FTE)	(\$181K)
	City Manager's Office (1 FTE)	(\$168K)
	Finance Staff (0.5 FTE)	(\$97K)
EPD	Community Safety Officer Program (1 FTE)	(\$119K)
	Records (0.5 FTE)	(\$57K)
	Vacancy Savings	(\$508K)
LRCS	Position Vacancy Savings	(\$427K)
	Community & Cultural Affairs Funding Realignment	(\$143K)
	River House Funding Realignment	(\$128K)
PDD	Business Retention & Expansion (1 FTE)	(\$181K)
	Mandated State Planning	(\$375K)
	Neighborhood Services Officer (2 FTE)	(\$300K)
	Homeless Services Program Transition*	(\$309K) in FY27
	Human Services Commission Contribution**	(\$402K)
PW	Sustainability Program (1 FTE)	(\$168K)
	Seasonal and Contracted Staffing	(\$48K)
	Program Funding Realignment	(\$45K)
	Total≈	\$4.4 M

*Homeless Service Program partially reduced from \$618,000

**Human Services Commission Contribution moves to limited duration funding for the biennium.

Potential services that could be funded from a **\$4.7 million** temporary Stormwater Fee increase. This list contains services that have been most frequently discussed by the community and Council since the Amended Proposed Budget has been released:

Dept	Potential Funded Services	Cost (FY26)
CS	Office of Equity & Community Engagement*	\$438K
LRCS	Library Hours Reduction	\$1,317K
ESF	Alternative Response Position	\$241K
LRCS	Amazon Pool Closure	\$574K
LRCS	Sheldon Community Center	\$500K
EPD	Animal Welfare Unit	\$591K
EPD	Animal Services Sheltering Contract	\$200K
EPD	Community Engagement Unit*	\$163K
EPD	Volunteers in Policing Unit*	\$180K
PW	Parks Engagement and Stewardship**	\$152K
PW	Developed Park Maintenance**	\$370K
	Annual Total	≈\$4.7 M

*Service area is partially funded

**Service area is Stormwater eligible

The list below shows the potential services that would **not** be funded by a temporary Stormwater Fee increase if the services on the preceding table were funded:

Dept	Potential Services Unfunded	Cost (FY26)
CS	Reallocate Position Funding	(\$263K)
CS	Energy Management Program (1 FTE)	(\$113K)
CS	Emergency Management (1 FTE)	(\$86K)
CS	Position Vacancy (0.5 FTE)	(\$52K)
CS	Employee Resource Center Capacity (1.38 FTE)	(\$197K)
CS	Central Services Communications (1 FTE)	(\$181K)
CS	City Manager's Office (1 FTE)	(\$168K)
CS	Finance Staff (0.5 FTE)	(\$97K)
CS	Office of Equity & Community Engagement (1 FTE)*	(\$172K)
CS	Downtown Clean Up and Beautification**	(\$225K)
EPD	Community Safety Officer Program (1 FTE)	(\$119K)
EPD	Records (0.5 FTE)	(\$57K)
EPD	Vacancy Savings	(\$508K)
EPD	Community Engagement Unit (1 FTE)*	(\$163K)
EPD	Volunteers in Policing Unit (1 FTE)*	(\$126K)
ESF	Alternative Response Transition	(\$250K)
LRCS	Position Vacancy Savings	(\$427K)
LRCS	Community & Cultural Affairs Realignment	(\$143K)
LRCS	River House Funding Realignment	(\$128K)
PDD	Business Retention & Expansion Program (1 FTE)	(\$181K)
PDD	Mandated State Planning	(\$375K)
PDD	Neighborhood Services Officer (2 FTE)	(\$300K)
PDD	Homeless Services Program Transition	(\$618K) in FY27
PDD	Human Services Commission Contribution (Moved to Limited Duration For Biennium)	(\$402K)
PW	Sustainability Program (1 FTE)	(\$168K)

PW	Seasonal and Contracted Staffing	(\$48K)
PW	Program Funding Realignment	(\$45K)
	Total≈	\$5.7 M

*Service area is partially reduced

Additionally, if Council wanted to make an additional **one-time** service investment of **\$1.7 million** for the biennium, the following services could be added on a one-time basis:

Dept	Potential Services to Fund <u>One-time</u>	Cost (Biennium)
ESF	Alternative Response Transition	\$500K
PDD	Homeless Services Program Transition	\$618K
CS	Downtown Clean Up and Beautification	\$550K
	Biennium Total≈	\$1.7 M