

ROUGHLY EDITED TRANSCRIPT

CITY OF EUGENE
CITY COUNCIL WORK SESSION
DECEMBER 8, 2025
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>> Mayor Knudson: Good evening, everyone, and welcome to the December 8th, 2025 city council work session.

Thank you for joining us in this hybrid meeting format.

For work sessions like this one, there is no opportunity for public comment.

Those wishing to access the meeting can do so by watching the live stream on our website and the broadcast on channel 21 or calling into one the phone numbers listed for this meeting on the public webcast.

In case of a medical merge an automated external defibrillator, an AED, is behind staff.

And in case of an emergency evacuation, the emergency are through the double doors and the doors to the patio can be used as needed.

Thank you for joining this meeting.

And I now call the work session of the Eugene city council to order.

I will turn to the city manager.

Last time in the work session, to the city manager to introduce our first topic.

>> I'm super happy to be walking about the work of the technical advisory group.

As you know, this is a group of members that we pulled together that have technical expertise, especially when it comes to finance and business operations.

I invited them to take a much closer look at our long range financial picture.

Tonight's presentation will be split between my opening remarks, a few slides and then I will pass it over to our chair, Greg Irwin who will share his thoughts on the process and then he will pass it to the soon to be Pro Tem city manager, Matt Rodrigues.

We are joined by many members of the technical advisory group in the audience and there will be a slide to thank them later.

This isn't going to work but that's okay.

All right.

Before I get started, I want to share my big gratitude with Ann Marie Levis, and Sarah Imens.

She shares as much love for this community as I do and for that reason, they said yes on very short notice to a challenging and very significant workload.

We could not have gotten to where we are today without their expertise, and dedication.

This is one of the very best experiences I've had with an outside facilitator and consultant in 30 years.

I want to share big gratitude with our city staff team and especially finance who added this to their already full workload and delivered such great results every week.

And you add that on top of the fact that tonight we will also be doing the supplemental budget.

So there's been a lot happening.

Thank you to everybody.

While we've had many community groups advise on revenues in the past, I'm not aware of any groups that have been invited holistically look at our operations, economic development, and revenue.

They have done an incredible amount of work over the past three months and I will be forever grateful to them for saying yes to me and yes to the community by investing

their time, expertise and wisdom into this process and for the shared success.

As you can see from this list, I invited a lot of new voices to the table and we have learned at least as much from them as they have from us.

It's been enlightening to hear from individuals with multigenerational roots, as well as relatively newcomers.

As someone who moved here in 1991, I can tell you in this group, I often feel like a newcomer.

It is my greatest hope that they will continue to be a resource to the next city manager and to city staff going forward.

One of the key areas of recommendation you are going to hear more about from Matt is the need for the city to re-invest and engage in the work of economic development.

Coincidentally, this fall, the chamber of commerce held their economic summit and the stakeholder meetings for the southern Willamette Valley innovation corridor were initiated.

The combination of information coming in from the advisors and these two events was sobering.

I'm going to share four slides that have really stood out to me as something we all should be paying attention to and what I hear as a call to action.

I'm going to give all of my credit to John Topagna, I'm not an economist.

I didn't stay at a holiday inn.

I will do my best with this information.

All right, here we go.

These are directly out of his presentation, although they are my words.

This chart tracks total nonfarm employment since 2010, comparing the Eugene metro area to the national average.

You can see that both the nation and Eugene took a major hit in 2020, but the difference is what happened next.

While the U.S. has surpassed its prepandemic employment levels, Eugene has not fully recovered.

Our growth line flattened after I initial rebound, showing slower job creation and more volatility.

That means fewer local opportunities, reduced income stability and less resilience for our economy overall.

The takeaway is this, Eugene's economic engine isn't keeping pace and that impacts everything else, from city revenues to housing demand to our ability to invest in core services.

This chart shows Oregon's natural population change.

The difference between births and deaths.

Over the past several decades and projected into the next ten years.

For the first time in modern history, deaths are projected to outnumber births.]

That means our population growth is now dependent on people moving here, not on natural increase.

Fewer young families and more retirees shift the balance of our economy.

It affects school enrollment, labor supply, innovation and the tax base.

For Eugene, that means we can't rely on growth to come to us.

We have to create the conditions that attract and retain talent and investment.

Economic development isn't just about jobs.

It's about building a place where people choose to live, work and stay.

If we don't focus intentionally on economic vitality.

This will make economic recovery even harder.

This slide tells a story that most people in Oregon already feel and for sure in Eugene we feel, housing prices v skyrocketed and incomes have grown modestly, since 1990, the cost of a home has increased six folds and household incomes have not even tripled.

That widening gap means fewer families can buy homes.

More residents are cost burdened and they struggle to attract or retain workers.

This is not just a housing problem.

It's an income problem.

Without a stronger, employer diversified economy that creates higher paying jobs even the best housing strategies will struggle to keep up.

And this last one really hit home for me, and the southern Willamette meeting.

When I first left my Hometown, first place I lived was Raleigh, Durham.

So it's -- my memories, I was like, wow!

This chart compares our per capita personal income in the Eugene Corvallis region to the U.S. and Raleigh Durham, another university anchored metro.

Both places are bill around major research universities, both have strong talent pipelines but their economic trajectories look very different.

In the early '70s Eugene and Corvallis and Raleigh were in roughly the same place.

This was a period where we bumped up above, but overtime, Raleigh has built an innovative economy.

We were 10 to 12% below the U.S. average for decades.

The message is not that we lack talent.

It's that we haven't fully connected our education and research strengths to job growth, industry investments and income games.

I think the other main -- gains.

I think the other main takeaway, when a community decides to make a difference, you can effect change very quickly.

I will turn this over to our chair, Greg Irwin who I am eternally grateful for for saying yes, even when he was trying to say no.

>> So officially -- thanks, Matt.

Let me start by first thanking City Manager Medary.

We began talking about having this kind of conversation, if you will, several months ago.

And I'm very honored and very pleased that we were able to have this opportunity to have dialogue, bringing the community together with city staff in an honest, straightforward, forthcoming manner.

So I very much appreciate City Manager Medary and all the years of service to our city.

You have been incredible.

So thank you.

So I want to drill down on this notion of process.

We got 11 people -- 11 brilliant people and me got together for 12 weeks and we had an hour and a half to two-hour meeting every week.

A significant commitment by these folks behind me.

We spent a fair bit of time learning about how the city operates from a financial standpoint.

And that is very challenging to cram for that exam if you will.

And we learned a lot in a relatively short period of time.

Did we learn everything?

Do we know everything?

No, we're far from that.

And you will hear more about that when Matt lays out some of the recommendations we have.

But I wanted to set that tone because in my 47 years as a businessperson, in this community, I am not aware of any process or any group of meetings that have happened like what has happened over the last three or four months in this room.

I think it's unique.

I think it's also very important that we talk about what happens next.

I think there's a day two that needs to happen to this process.

And maybe there's day three, four, five, six, seven and infinitum.

The work that happened, as I mentioned and I think if I was a city councilor, I would be very, very proud of the city staff.

They were extremely forthcoming.

Never defensive.

We asked a lot of questions.

They provided a tremendous amount of information to -- to the group on very short notice and as Sarah mentioned, while doing their day job.

So a lot was asked and expected of this group.

They were extraordinary.

There was never a time that I can remember when anyone was defensive or felt that the advisory group was lean too hard on them.

So, again, I want to thank all of you for allowing this to happen and for listening to what we have to say this evening.

I think there will be more to come.

We'll talk more about that later.

I think also I wanted to talk about this commitment to work together.

On an ongoing basis for the future.

This -- this opportunity has created what I believe is a template for further conversation.

Further exploration about how we can work together to problem solve.

Not everyone's cornered the market on good ideas or answers.

We came -- this group came together with the spirit of nobody had an agenda.

We checked them at the door.

We came without ego.

Those were checked at the door.

And we came as problem solvers.

And I think that the city staff hopefully would feel that that's the way we embraced the conversations that we had.

So we're committed, as I mentioned to whatever day two looks like.

There's a number of folks on the advisory group that have already said that hey, I'm in for more.

And we would like to plant that seed in all of your heads.

I spent several hours at the Oregon business plan, business council event, with several people in this room.

And this was a lot of conversation about Oregon being at a crossroad.

And I think all of us are intuitively, if not obviously, aware of the challenges that we're facing statewide and in our own community.

Many of them are the same in Eugene as they are in Salem, as they are in Portland.

Throughout the state.

So I think that what we would like to say as a group, is that we hope that in this moment, which I think is a unique inflection point moment for our community, a carpe diem type moment.

What are we going to do?

There are a lot of people coming to the table to have conversations about the welfare and the prosperity of our community, like I have never seen before.

And that began, I think, here in Eugene as a launching pad.

I would like to thank you all for allowing this to happen.

This idea of creating shared prosperity.

There can an easy default to the assumption.

That when you bring business -- we had a broad cross section of people on this group, that you might bring an assumption that you bring a bunch of people who want to talk about business and that sort of thing, that this is self-motivated.

That we were trying to line our pockets and that was not the tenor of the work we have done here.

There's multigenerational families represented in this group, who gave up a lot of their time.

And all the things that we talked about may or may not had any intent to improve their particular business.

It was all about the idea of how do we create broader prosperity, not just for my business or someone else's business, but how do we get to broader prosperity.

How do we figure out how to pay for the things that we want and we need in this community?

And that was really the way we approached it.

So last point, you know, I felt this was a very powerful start to a problem-solving kind of template.

And I hope that after you hear what Matt has to say, which represents the ideas and the recommendations that came from the group, which are not complete, I will mention that.

We have more work to do.

As we mentioned earlier, there was a lot of learning that had to take place in a very compressed time frame.

So what you will hear from Matt is -- is the beginning of what we hope to be a long relationship with the city.

This has not come together before.

This is a fantastic start to different and better conversations.

So --

>> Thank you, Greg.

I'm the assistant city manager, Matt Rodrigues.

I'm happy to bring forward the recommendations from the T.A.G.

It's been a privilege to be part of the support staff of this can member.

The gift of their time has been incredibly impressive and incredibly grateful and we echo our grateful necessary to Ann Marie and our financial team that has done a ton of work.

All right.

So we don't normally read slides verbatim to you.

So I will apologize for that, but I will do that to make sure I'm accurately representing the T.A.G.'s recommendations to you.

It will be about six minutes.

So not too long and then we'll have plenty of time for questions.

So the problem statement that the technical advisory committee came up with, is the city of Eugene faces both short and long-term financial and strategic challenges.

In the short term expenditures are outpacing revenues creating a structural imbalance, amid broader economic uncertainty.

State laws control the city's ability to grow property taxes, its primary source of revenue and to diversify its revenue base.

Longer term, the fragmented economic strategy, hinders the potential for economic growth.

Without which the city will continue to face budget challenges.

This will diminish the city's ability to provide services necessary to maintain livability, to grow and invest in its competitive advantages and to enhance the community's quality of life for future generations.

So an overview of the recommendations, there are three areas of focus, operational efficiencies and reductions, revenues and economic development.

There's a fiscal target of \$10 million that the committee was considering when looking at potential revenue and operational efficiency and reduction strategies.

And the implementation timing is in a short, medium and long-term approach.

So we'll start with operational efficiencies and go from short to long term.

So operational efficiencies and reductions, recommendations from six to 24 months.

First identify core city services, then align the budget with stated priorities.

Next, engage in outside expert to assess operations to determine opportunities to lower costs, and streamline processes to improve turnaround times for planning and development and proactively identify ways to minimize regulations.

Operational efficiencies and reductions two to three years.

First, update the city's long-term strategic vision to reinforce the city's competitive advantage, align values and the services with the realities of revenue and include economic prosperity.

Secondly identify strategies to reduce employee costs and collaborate with partners to provide costs more cost effectively.

For revenue, there's one time frame and I believe the committee has looked at this of whenever the city may need to access revenue, if we cannot address budget challenges with operational efficiency and reductions, we can draw on this at any time.

First communicate budget processes, priorities and choices for community engagement.

Second, before implementing a new revenue consider the following: Efforts are made to minimize expenditure levels and increase efficiency, new revenue sources should impact greater community as evenly as possible and not target select groups.

And a portion of the new revenue should be dedicated toward economic development efforts to create long-term shared prosperity.

And finally economic development.

So this first set of recommendations is for six to 24 months.

First, identify an economic development strategic advisory team to advise and drive implementation of the economic development planning effort.

Second, initiate a strategic economic development planning process that includes identifying Eugene's strategic and competitive advantages amplifying the importance of a healthy business environment, work with public and private partners to define clear roles in moving this work forward.

Clearly scribe the strategy and shared interests in shared prosperity to reduce barriers and promote engagement.

Articulate partnerships and bring along our public partnerships.

Economic developments from two to three years, coordinate and align with regional partners to enhance strategic advantage, clearly identifying what infrastructure is needed.

Third, market competitive advantage to actively recruit employers and fourth, look at ways to support housing expansion as an economic development tool.

First identify the incentives and partnerships and human capital.

Second, this is a dynamic process and needs to be developed and maintained over time.

And third, advocate for state level reforms on regulations, education, taxes and revenues.

And lastly the long-term 5 to ten years, achieve economic outcomes that generate a target of yet to be determined of X. million dollars a year in new property tax and community safety payroll tax revenue due to new jobs.

That is a list of the draft recommendations and happy to turn it back to you, mayor, for questions.

>> Mayor Knudson: Thank you.

Thank you, Greg.

Thank you, Ann Marie, thank you, Matt, for that news and update.

We appreciate the presentation.

I will now open the floor for council discussion.

Councilor Keating.

>> Keating: Thanks, mayor, I will kick it off.

I will start by saying thank you to the committee.

I appreciate the recommendations.

I just have some questions and just want to drill down a little deeper, if I may.

I'm going to start at the back of the recommendations and move my way forward.

Recommendations, economic development three to five years.

Advocate for state level reforms on regulations, education, taxes, and revenues.

Are there any examples?

First thing that comes to my mind are measures 50 and 5 reforms.

Are there specifics that the committee discussed?

>> 5 and 50 were obviously discussed, brought up.

You know, there's the elephant in the room of PERS, and many of us learned for first time of how big an elephant that is.

And so what can we do about that?

We heard a lot of "there's nothing we can do."

And maybe that is the case, but I would say councilor, that our conversations around PERS and the feeling of how do we address that elephant in the room, probably one of the more important pieces that I think we all learned that we didn't know.

So in terms of advocating for reform, that's a big one, but maybe that's something we have to look at.

So Ann Marie?

>> I will jump in.

The committee actually generated a ton of ideas that when you get the final report, you'll see in an appendix.

What the team has done is tried to bunch a lot of those into more general recommendations, but you'll be able to see the specifics and it's everything from land use regulations, to our own city regulations, to statewide.

There was a lot of different things that were mentioned, that you'll be able to look to.

>> Keating: Thank you, manager.

I look forward to reviewing the broader recommendations.

On the -- the conversation around recommendations, revenue, six to 24 months, slide 19, quote, new source should impact the greater community as evenly as possible and not selectively target individual or small groups of taxpayers.

What was the thinking behind the committee's use of this particular language?

>> I think that that came out of the expectation or fear, maybe that any short-term fixes might be zeroed in on one particular segment or population within the community and we wanted to make sure that that is not the case.

We should share and share alike in terms of how we solve problems, and that we did not want to have a particular group, however you want to define it have to bear more the burden than -- than any other member of the community.

>> Councilor, we also looked at the good work that was done by the revenue committee, and really used that as sort of our Litmus test for some of the things that they evaluated.

This was quite a bit done there.

>> Keating: Appreciate that.

Thank you.

So I think that inspires just a larger conversation about progressive tax reform versus kind of an across-the-board blanket tax structure.

I see where you are going with that, and I think it -- it warrants a larger conversation.

On recommendations, operational efficiency and reductions two to three years, slide 17, number two, quote, identify strategies to reduce employee costs and collaborate with partners to provide services more cost effectively.

On the surface, one could interpret that as a longing for outsourcing.

What -- what could you do to help put my fears at ease and perhaps elaborate on the term "collaborate with partners to provide services more cost effectively."

>> Yeah, councilor Keating, I will answer that question, and so I would say that because our budget is 70 plus percent personnel, when you start thinking about ways for us to be efficient and save costs, it has to necessarily come from mostly that area.

So the group had a lot of conversations about that.

I wouldn't say that there was a big conversation about contracting out or outsourcing.

There were questions about that, and curiosity about are there services that the city's providing that other government partners might be providing or other nonprofits might

be providing?

We need to explore that and pay attention to it, and also look for ways to bring down some of our per employee costs, whether it's should we be looking at how we offer healthcare?

It was just a real recognition that the only way to have a successful long-term strategy is to manage that big chunk of our budget.

And it was very thoughtful and very curious and, again, there will be a number of things that you will see in there.

>> Keating: Thank you, manager.

Is the long-range financial stability team planning to get together long term?

Is that day two, three, and four in the cards for this team to come back and -- and provide your expertise in the months, years moving forward?

>> I would say, yes.

We are actually meeting back in this room again tomorrow to evaluate this conversation.

We have a potential meeting in January with a full report that will come to you folks in early February.

>> February.

>> Which will have more detail than we can provide tonight.

But to answer your question, councilor, I think there's a commitment from this group and potentially others that we would bring into this work to continue to see this to fruition.

>> Keating: Thank you for your time.

>> Mayor Knudson: Councilor Groves, Kashinsky, Yeh.

>> Groves: Thank you, Mayor.

I want to start by thanking everybody involved in this process.

I especially want to thank those of you who have donated your time to come in and one of the things I learned was there was about 8 to 10 hours of reading per week in addition to your commitment to the meetings.

That's extraordinary.

And it's obvious to me that you love our community like we all do.

So I'm grateful for that.

As far as specific questions, I think I'm going to reserve most of those for when we get the rest of the report.

I feel like we are trying to look at a cake that's not quite ready to come out of the oven, and I'm sure a lot of my questions will be answered at that point.

But I'm very excited to see the work in detail.

I'm excited to learn more in the process.

I'm going to be looking for things too, outside of that, meaningful way of looking at our service system and really have a significant discussion about prioritization and how we get to that point.

And I saw that that was listed in the presentation.

I also would like to learn more about -- from your standpoint, as experts in the area, what we can be doing in the way of not just business recruiting and bringing in new business and industry that fits within our community.

I want to know how to support what we already have here.

And especially when it comes to our local established businesses that are looking at growth.

That's tried and true, loyal, people who are here now.

I don't want to just focus on recruiting new.

I think we need to, but I think we need to be giving serious consideration on how we support what we already have and bring them into the fold and maybe everybody feel that they are a part of this.

The accomplishment we are looking for, it will be community- side, not just a small group.

It's certainly not incumbent upon this city council.

So we are going to be looking for those who do, and, you know, I kind of want to end my

comments by especially thanking Sarah for her courage to step out and do this.

I know this wasn't an easy process.

And, you know, in positions where we get a lot of rocks thrown at us, during a difficult time, I really respect how you stepped up and did that.

And I will have more to say about you later.

I --

[Laughter]

>> Get in line, brother.

>> Groves: Just now I want to acknowledge that.

And I'm almost out of time.

Taking it right down.

Thank you.

>> Mayor Knudson: Councilor Clark.

>> Clark: I want to echo my colleague's words nearly took them all right out of my mouth in terms of what I wanted to say.

My thoughts on this, first and foremost, are of gratitude, as was said and has been said.

This is a lot of time you guys all put into this.

And our community thanks you for the effort, because you're right, we're -- if we're going to get to this mace, we're all go -- place, we're all going to get there together.

So thank you for helping that effort down the road.

And manager, you as well.

I agree with my colleague that it takes a tremendous amount of courage to say, hey, you guys wanna help?

So thank you.

Well done.

And I look at this and from what I have had of it so far, it seems like a strategic document that says, here are some strategies, short term, long term, ways to be thinking about this, and further the conversation along.

I'm very interested in the fuller report for the tactical pieces that come with that.

Strategies, great, but unfortunately, in politics we can all argue about how a particular idea fulfills a strategy, and maybe not agree on how -- on whether or not it actually does.

So I hope we'll see a good deal more detail, tactical recommendations as well.

I'd also love to hear about -- from a technical advisory group, your expertise.

You will have seen the way government manifests itself in your lives and in your work on a regular basis.

I'd want to know more of a -- of a data dump on what are barriers that should be removed, could be removed, would provide -- would lead us to a different sort of outcome than we have experienced before.

Those are the kind of pieces of information as well that I hope we'll get a part of, with the fuller report when you guys get that to us, in the next couple of months.

This is fantastic work so far and I really want to, again, just appreciate everybody's time and effort to get us this far.

Thank you very much.

>> You mentioned data and one thing we didn't talk about tonight, but you will see in the full report, the other member of the consulting team, Sarah Emonds, we used benchmarking against other cities to look at many things.

So not only did the technical advisors bring their own expertise, but we had outside expertise to really make data-driven decisions and all of this.

You are correct, there are the strategies, but there are some real specific tactics that this committee came together to recommend to the city.

Again, in partnership coming together to say, we want to be a part of whatever solution the city council wants to implement.

>> Groves: Excellent, can I jump in -- let me see where my time is.

>> Mayor Knudson: 25 seconds.

>> Groves: Did you do any sort of comparative work between other communities and say, these guys tried a policy this way.

These guys tried it that way?

Here are the results based on what we could see?

Maybe we should chart x different course?

Is there anything like that at all?

>> Probably less of that, councilor, but certainly a takeaway for us as we wrap up this work.

>> Groves: Thank you again all very much.

>> Mayor Knudson: Councilor Kashinsky.

>> Kashinsky: Thank you.

Thank you to everybody who put so much time and effort into this.

I really appreciate how much work and how much thought you all brought to this.

I will probably wait for the full report for most of my questions.

But I did want to sort of call out two specific things.

As you're working on sort of the data and the arguments, one the things that I historically struggled with is that particularly when we're talking about economic development as a solution to some of our budget challenges, is that part of the cause of our structural imbalance is that our property tax system is somewhat nonreflective of the value that is being created in the community.

And so how -- how that strategy would bring in enough, like even if we're bringing in new economic development, how that ties together, given the limitations in our property tax system, since I think that's one the primary challenges we are trying to solve is how we can ensure our general fund revenues are keeping up with rising expenses.

And so just a better understanding of how that mechanism ties together and is the economic development piece, how much of the strategy is that.

Like, is that the main part of the strategy or is it, like, economic development and these

other things?

And then I think the other question I have is sort of short-term strategies and what those look like.

Because I think we're all -- we can feel fairly certain that we will be having similar conversations about reductions and budget gaps in a year and a half -- less than a year and a half.

And looking at the short-term sort of options, you know, the -- we're already working on -- with outside experts to assess opportunities to lower costs.

We have been doing that work.

We -- you know, we talk about identifying core city services and prioritization.

If you actually look at our existing priorities and how things are lined out in the budget, it actually is fairly reflective of a lot of those priorities, when you look at how much we spend on fire, police, versus how much we spend on, you know, climate or roads -- not roads, like library, recreation.

You can actually see that a lot of that is pretty reflective.

And so just trying to figure out what is the strategy so that when we end up with that gap, now we're saying, okay, we're closing the library two days a week.

Thanks.

>> Mayor Knudson: Councilor Yeh.

[Off microphone comments]

>> Councilor, is your mic on?

>> Yeh: I thought it was.

Is it not working?

>> Clark: I will help.

>> Yeh: I really like this.

It seems very helpful.

It is very high level, but I you can see where the actions will filter down.

I'm wondering -- I'm trying to find my page now.

Economic development strategy, advisory team, is that what you were alluding to as maybe the second step in this process?

Okay.

I actually really like what you have -- like, I assume this is, you know, preliminarily identified as potential tasks.

I really like these.

I'm wondering if have you gotten into any of these yet or is this, like, you just very high level?

>> We have definitely done some work.

Just not finalized for tonight.

So I think that we'll be able to give you a very concrete goals, objectives, aspirations, and methods and how we might get there.

So --

>> Yeh: I will look forward to that.

My second question is I tend to be very much in the same place Randy is, where I want to support local businesses who are already here, already investing.

I'm wondering when you are doing some of this other work, assuming it gets created and I'm in favor of creating this group, I think it might be really helpful for those of us not in that space to know what we're missing in our community that might -- you know, like if one business thrives, sometimes you need something else.

And that's not something that we would necessarily know as a council.

And where are those gaps that we need to -- like so we can be strategic when we are recruiting this people to town and not a competitor, but someone who will add value to our community.

For me, that would be really helpful.

And then this is something Eliza already alluded to, but you know, I think the thing we often go back to is what is a core service, right?

And I -- you know, I'm sure all of us probably struggle with that.

What does core services mean?

I wonder if you have dug into that a little bit about how is the community -- if we're going to open that up again, how that conversation would be helpful.

>> I will jump in, the committee did talk about that a little bit and we sort of actually intentionally tried to defer them to council's workshop that you are having late winter, early spring, I don't want to tie too much to it, since it's not my call.

But in that conversation, we've already highlighted for you that one of the areas that needs to be updated is the financial policies and procedures manual or whatever the official title is, where you actually have service priorities set in there but you haven't looked at them since the late '90s.

So that helps kind of give a broad idea, but as we talked about in the group, every department, every service area has less -- lower priority items within in, right?

You have the core, and you have the core of the core, which we talked about during the quarter.

So that's a lot of your work as part of that workshop, and then we'll be hopefully continued engagement with this group to learn more.

>> We also felt it was a little above our pay grade.

>> Yeh: It's asking a lot.

>> And in our mind, we don't represent the community as all of you do.

>> Yeh: Right.

>> So we really thought that really reinforcing the good work that you would be doing to say, what are our core services?

And what can we pay for and what things do we need to look at in moving forward with the plan.

>> Yeh: Yeah, I was more asking what they are, and more like what are the -- what is the process that would make it feel like folks were involved in making that decision?

Maybe I wasn't clear.

>> No, that's -- that's great and we actually have two more meetings and I would like to bring that back to the committee.

>> Yeh: Okay.

I think that's all my things and thank you, councilor Clark.

>> Mayor Knudson: Councilor Zelenka.

>> Zelenka: Thank you for everybody's time and commitment to Eugene.

It's very important to have a bunch of people that care when they look at stuff like this.

I take it you didn't find \$10 million under the cushions anywhere.

Didn't expect you to.

Greg, you mentioned they weren't defensive.

I think they weren't defensive because I think they knew that they do a really good job and most of us know that too and I'm glad that you all now learned that.

And that, in particular, that -- the city of Eugene under Sarah is a very well-run organization and very well efficient -- very efficient and Eugenians get a really good value for their tax dollars out of what we give -- the services we give to the city of Eugene.

Touching on the core services and prioritization.

My experience over the last 20 years is that really what that gets revolves what I like.

I think it needs to be tied to our competitive advantages and we talked about that in our economic strategies.

Our competitive advantages of why do we land here -- we land here and I want to be in Eugene.

Why do we want to be in Eugene?

It's a great place to live.

It's got a great environment.

The parks are spectacular, the library is here.

The arts and the city gets stuff done and it just seems to work.

And that's why people live here.

And that's our competitive advantage.

So core services need to be tied to that, I think.

The economic development pieces of it, yeah, we need to do more in economic development.

You have lots of recommendations.

This kind of turned into an economic development committee, which isn't what I was looking for, but it's still very important.

One the things we heard from our last survey was youths opportunities are really lacking in terms of getting new jobs and that's particularly important to work on.

I really appreciate some of these things like business retention.

I think that's a great strategy.

Marketing our competitive advantages I already talked about that and market to that.

And investing in infrastructure.

And then on the last page, you talk about economic development generated x million dollars a year.

I'm curious to know what that number is.

It's an x right now.

It's tough, economic development, we were talking about this the other night, it takes \$250 million of investment to get \$1 million of general fund.

That means we need \$2.5 billion of investment to solve a \$10 million budget crunch.

And I'm curious, now that gets taken in the context of what you guys will do over the next couple of meetings, because I think it's tough to do that, just in economic development.

It's tough to do that just by getting operational efficiencies.

And which is why we were looking at revenue in the first place.

So curious what you guys are thinking about in terms of that target dollar amount.

>> So we left it blank for a reason, and we will come back to you with that number on that.

So the way the group came together on that issue.

A lot sounds like an economic development plan.

And so there were a number of reasons why we kind of landed there, generally speaking, was, you know, we're not experts in each department of the city's government and in 12 weeks couldn't go and analyze every department and see how efficient they were, do you have too many people, are we spending too much money here or there or wherever.

Secondly on the revenue side, you know, this three-legged stool that we're talking about, we did not feel that we were -- it was our particular expertise to come up with a revenue strategy, a tax strategy, a fee strategy, again.

So -- but what we felt was probably lacking, where we felt that the community might be able to help the city most would be on the economic development.

Granted we understand that math as well.

But, when you take all three things together and we think of this as a three-legged stool that not any leg of the stool is necessarily going to have to hold all of the weight.

We think there's opportunities to over several years -- and it will require some investment up front.

You know, and we'll address, you know, what does that look like and how do we get to the capital investment that might be made -- need to be made up front to be successful in some of the economic development strategies.

So we're not -- we're not suggesting that economic development is going to solve all of our problems, but we think we can do that a lot better than -- than we have with all due respect to everyone involved.

>> Mayor Knudson: Councilor Leech.

>> Leech: Thank you so much, mayor.

And echoing all the gratitude for all the staff and the volunteer work that went into this.

City manager, I have a really quick question about why farm workers aren't included in the employment numbers on that graph.

I know it's not your graph, but if you know the answer.

>> I don't.

I think it's just a standard economic economist graph.

>> Leech: Okay.

And our line was for Eugene and Springfield combined.

Do we know if there's a significant difference between Eugene and Springfield in those numbers?

>> I don't know, but we can follow up on that.

>> We can get that for you.

>> Leech: And lastly -- sorry, on this topic.

>> The four slides I didn't really know anything about.

>> Leech: I know.

The -- are those numbers about residents who live in Eugene and are employed or is it people who are employed in Eugene?

By Eugene businesses?

>> We'll have to get back to you on that.

I don't have the specific detail.

>> Leech: Thank you.

I only mention that because, I mean, we have a very online world now.

Many people I know are employed here in Eugene, but businesses outside of Eugene.

And I -- and I asked about the Springfield/Eugene divide.

I have been thinking about the city of Springfield's economic development commission

and we know they have done some great work with their downtown business development over the years.

I'm curious about whether the group talked about what the structure of that maybe next step looks like because there as a couple of options.

There could be a council advisory body, which is kind of what Springfield has, you know, has all the councilors as part of it, or would it be a city manager advisory body like the group that met over the last several months.

>> We didn't go into that detail and I think they talked about a number of different possibilities where community or -- community could get involved in these kinds of conversations, both as an advisory body to the council and as a separate advisory body potentially to the city manager but not specifically.

>> Leech: Thank you.

I really like the idea of aligning our strategic plan.

We have some work to do on that strategic planning and including that economic prosperity piece.

Yeah, operational efficiencies, it's hard to see so much, because we keep going through cuts and cuts and cuts, but like councilor Kashinsky said, it's going to be a reality.

I appreciate the work on that.

And then partnering with the community, I think there's just so much opportunity there, in particular with the u of o and how much innovation that we have possibly at our fingertips.

And I'm just really excited about some opportunity to really start to tap into that.

So I hope that that can be one of our focuses.

And so again, really appreciative of all of this work and I'm excited for us to keep diving in and having our own workshop and -- and see where it goes.

So thank you.

>> Mayor Knudson: Councilor Evans.

>> Evans: Thank you, mayor.

And, again, I want to thank, you know, City Manager Medary for putting this group

together.

When I first made the motion back during the time we were, you know, having our conversations about the budget and how to close some of the gaps that we had, one of the things that I really looked at was our long-term vision for where the city is going, where we need to be, and bringing folks in the room like -- I don't want call you guys dirty dozen, but --

[Laughter]

-- I can't think of a better metaphor, you know.

Greg, you guys have done a really fantastic job in framing this for us as a council to be able to move forward.

But I have a couple of questions.

One of them goes back to the four slides initially that we saw, the first one Eugene's recovery trails the nation, natural population growth has gone negative, the home prices are outpacing incomes, and education in the valley is under performing.

And so I know that from a real up close and personal perspective, because my son and daughter-in-law have moved back here about three years ago.

And my granddaughter was born in -- in Hawaii.

They worked in China.

They're both educators, but -- and they both graduated from the University of Oregon, but then they had to go to northern Arizona to get their master's degrees.

And then leave here again to begin their careers.

So a couple of things that that brings up, is how do we retain the talent that we are generating from our university community here, providing the kinds of family wage jobs that are going to sustain the next generation that's coming along?

The second thing is how do we leverage our static assets better than what we're doing now?

When I talk about static assets, I will be candid, the University of Oregon, O.S.U., regionally, we have got to do the kinds of things -- and I have got a lot of family in the Carolinas, and specifically in Raleigh Durham, and my cousin teaches at Wake Forest.

How do we begin to create the kind of synergy that we need for economic

development?

And I'm one of these people who is -- that -- my time is up.

But economic development is not a dirty word here.

Not for me.

So that's my first round.

>> Well, thank you for your comments Councilor Evans.

I think the exciting part of what is happening in our city and our state is that people are having conversations about something called the southern Willamette Valley innovation corridor.

Oregon State and University of Oregon are banding together with the business community.

They went back to the research triangle in North Carolina last fall, and the mayor was part of that entourage.

Oh, excuse me.

>> Mayor Knudson: I was not able to attend.

>> Anyway, so the energy around these notions of economic development, of how do we retain talent, there's groups forming daily and so you have onward Eugene, you have elevate '28, you have all of these groups coming together and they are all having these conversations, these very economies that you all are raising are being talked about throughout the community and now throughout the state.

We are not particularly unique in these issues, councilor and so there's some really rich conversation.

And hopefully some soon action around these very issues that you are bringing up.

>> Mayor Knudson: Round two.

Councilor Keating?

>> Keating: Thank you, mayor.

When the team talked about identifying core city services, was the challenge of looking at services that might be considered core or vital or critical that are contracted out

versus -- or in addition to city services that exist under the umbrella of the city?

I'm alluding to city -- or -- our partners at green hill humane society, our cahoots -- our former cahoots partner or potentially future Willamette Valley crisis care partners.

I see that as a challenge but I would submit that some of those contracting out services are just as core as the city services that -- that municipality provides.

>> So I would answer that by saying, I think that the group was most interested in trying to understand how it is that we define and how you define what core services are.

So what are those things?

And what is the process in arriving at that?

We did not feel like we understood that process, and it's probably a pretty good assumption that if we couldn't figure it out after 12 weeks that most of the community doesn't understand that process either.

So this notion of education and better informing people is a really important one.

How do we take what we learned and spread that throughout the community.

I think that's advantageous to the council and to the work that you all do.

So the people are not starting from the assumption that they are doing everything wrong.

So how do we get to this place of better understanding how you define what a core service is and what that means, and then how do we support that?

How do we build infrastructure, economic infrastructure around what we believe are core services.

That you have defined.

And you tell us these are the things that we are defining as the core services.

And then let the community help backfill in terms of how we design economic models to support that.

>> Keating: Great.

Thank you.

One the slides, Sarah kicked us off with looked at Durham Raleigh and Eugene Corvallis.

And I had the honor of attending a municipal symposium in Durham, North Carolina, earlier this year and discovered that they have a cahoots model -- or a program that was modeled off of cahoots, called harts.

I found it curious that this particular hart program is not a program that is contracted out, that it does fall under the municipality of Durham, the city of Durham as I understand it, their city services.

They employ a crisis call diversion team, community response teams, unarmed three-person teams, co-response calls with Durham, PD and volunteer commitment response team, the I.R.T., that pairs a clinician with an E.M.T.

I'm bringing it up because I would like to learn -- even if it's at a 30,000-foot level, what -- what your team and manager Medary what you might see as potentials to explore when you look at the tale of the two cities.

We both have an airport.

We both have -- well, at least for two more seasons we have a minor league team and they have a minor league team in perpetuity, Durham bulls and duke and the University of Oregon.

What can we learn from the Raleigh Durham era -- or Raleigh Durham area and/or is it -- you know, is it worth exploring this hart program.

What can we learn looking at programs like hart and exploring the Raleigh Durham areas closely.

>> I think there is a lot of conversations go -- I think there's a lot of conversations going on in determining how the whole community can pattern success after the Raleigh Durham area.

So I think that's a bigger discussion.

I would love to talk about it.

I know that there have been a lot of conversations about what our best practices -- are best practices that they are using.

We very much as a community, realize that the city of Eugene cannot do this alone, and just like they couldn't do it alone, they work together.

Because of that and because of their success, they do have more dollars, more opportunities to do some of these things.

So I think it's a longer conversation and one that a lot of people want to partner on with the city of Eugene.

>> I was going to turn a personal story about all the book reports and if you want to know how it ends, you should read the book.

We're still waiting to get this information and come together, and finish the book.

Yeah, I didn't score well on those.

[Laughter]

>> Keating: Thank you.

>> Mayor Knudson: Book coming soon.

Councilor Groves and Zelenka and Evans.

>> Groves: And I believe the Durham bulls are a AAA club.

A request of staff and it will probably fall to you, Matt, since you will be in the saddle after the first of the year.

Generally when we get council packets, it's Thursday for meetings the following week.

For this report, can we make a concerted effort to get us that earlier than just a few days?

I really want to take the time to devote to learning what's said in there that I think it deserves with all the work that our community members have put into it.

So I would really appreciate that.

Second, in response to councilor Evans, there were -- basically what you raised about working with the U of O and Oregon State, was really well covered in the economic summit that we had a couple of weeks ago.

In fact, I've got a question for the chamber, maybe just a head nod, is that summit, is that on tape?

So maybe -- maybe we can find a way to get at least the mayor and President Scholz commentary together.

It wasn't really a point/counterpoint.

It was a point supporting the point.

I loved the way you two interacted, the dialogue that you had, and I think it would be really helpful for this group if we could see that and possibly add in the -- the John Topagna piece too.

Because that's a good preset to the discussions that happened afterwards because it's a little bit of doom and gloom, but it kind of gives a realistic presentation of where we are and where we're headed if we don't reverse course as a state, let alone a community.

So I think that that would all be helpful as a prelude to the February meeting with the T.A.G. team.

Just so we can be as prepared and educated as possible, and even be able to have some time to formulate the questions so it's not done on the fly.

We need to give this the time that it deserves and to make the most out of this opportunity.

Again, I'm very optimistic.

I agree with what was said earlier about -- it's just -- it seems like it's a -- we're at a different point in time.

It seems like people are ready to have the discussion that we need to have.

So I look forward to that, and with that, thank you.

>> Mayor Knudson: Councilor Zelenka.

>> Zelenka: I'm curious about the part that talks about aligning the budget with the core priority services.

I have gone through 29 budgets in the city of Eugene.

Because I was on the budget committee before council.

\$650 million a year, and the way that the budget set structure -- budget is structured is there's all of these funds and they are very siloed and they have restrictions, mostly because if people said, you can only spend it on this, the airport fund, rug fund, whatever the fund is.

So the unrestricted funds all fall into the general fund, and that's police, fire, central services and parks and rec.

And the rest of them have stability -- most of them and the general fund is the issue or the problem that we have been trying to deal with over the last several years.

When you fund all the existing services the way that they are, the -- the discretionary revenue left is very small.

I mean, tens of thousands of dollars if -- hundreds of thousands of dollars.

Not a lot of money in a \$650 million budget.

So -- and it's zero sum.

So when you're assessing budgets and trying to align the budget and the services, services is what the budgets are and it's 70 plus percent people, and you want to make changes to make that alignment or do increases in one area, it necessitates that you make cuts in a different area.

When you start talking like that, and you start talking about that, then you bring in the built-in constituencies around each of those services that have been established for years and years.

I was talking about the human services.

We don't have any human services in the government.

We fund it all through nonprofits, really, almost all, except for the stuff that the count -- county does.

So you get all of these built-in people and the process becomes very messy.

And the process is very difficult and I guess what's the plan for fleshing out that particular part of this, the -- in the next iteration of this, about the operational efficiencies an reduction?

>> I think you -- we talked about it as a -- as a group, suggesting that this be another deeper dive look by an outside group to look at expenditures.

We, again, did not have time, nor the acumen, frankly, at the moment, to look department by department as I mentioned earlier.

I do think that we, as -- as a group, feel like we wanted to make sure, because I think

councilor that you mentioned aligning, you know, having budgets align with the strategic plan.

So that came up in discussion a fair bit.

Are we aligning our expenditures that we can control with the long-term strategic plan?

And, again, we probably need to do more work on that and thinking about that, but that's certainly -- we just wanted to make sure as a recommendation if that's not already happening, we don't know for sure, that -- that we are aligning how we are spending money with the goals, the longer term goals that we are trying to achieve as a community and do those investments line up accordingly?

That was the nature of the conversation.

>> It's a zero sum environment.

>> I just want to add to the spirit of the committee was not, like, hey, you guys just need to do this.

It was a real -- this was a real understanding around the table that everybody has a different definition of what their core is or what their priority is and that this is a very challenging spot for us to sit in.

I think putting some -- I appreciated the emphasis of this because I think we internally also recognize that we get a lot of questions, well, what is the city required to do?

What do you have to do?

And what is the priority and part of what needs to happen in the workshop coming up is spending some time on that topic and then being able to go out and talk to the public about what we learn.

I don't -- it didn't feel like they had necessarily the answer as much as a stated need for us to spend some time here.

>> I will just add to that, if I may, I think perhaps most powerful thing that will come out of this -- this work is this desire to have a broader cross-section of the community now know what we know, which is how difficult your work is, how difficult it is for the city to run a balanced budget.

Many of us come in with assumptions, again as I mentioned earlier about why don't we just run this like a business.

I run a business.

But I don't have the constraints and the barriers that you all have.

We didn't know that coming in.

We need the community to understand these issues.

That's a big part of what we think needs to happen.

Then we think we can have more rich conversations about problem solving as opposed to rock throwing.

>> Zelenka: Yes, that's an interesting point.

The way you do processes are as efficient as businesses.

I have a lot of opportunities that I could expound upon where I have seen inefficient businesses.

They aren't in business.

Government doesn't have that luxury.

They have to provide all of those constraints and so it is a very difficult task to pull all of that off and actually make it work.

And as I said, you know, under Sarah, the city of Eugene is really well run and people get a good bang for their buck out of the tax dollars that they pay the city of Eugene.

>> I could offer that we could all do a better job of communicating those very comments to the community.

And helping them understand how this works.

>> Zelenka: I was hoping you would say, that's right, Alan.

>> Well, I kind of did, didn't I?

[Laughter]

>> Mayor Knudson: Councilor Evans and Councilor Yeh is in the queue.

Then we'll wrap up this work session.

>> Evans: One thing, councilor Zelenka.

Cities do go bankrupt.

There have been a number of cities in California and other places that have gone bankrupt through mismanagement, through -- through not being visionary in terms of what needs to be done to maintain and retain a healthy infrastructure for the city.

So yes, we can go bankrupt if we're not careful about it.

Three things real quickly.

Investments in our infrastructure and facilities, you don't have to answer this now, but I want to get some feedback on how we do that effectively.

When I was on the fair board, one the comments that I made that the commissioners got me about, I said that our fair grounds was a dilapidated if a tilly is.

And the commissioner -- facility.

And the commissioner said no, no, Greg, don't say that.

It's antique.

Okay.

Well, we're catching -- we're catching rainwater in buckets, man!

So I think we got a bigger problem than that.

So make sure we're leveraging not just the universities, but our airport, our investment in the airport, which is in my ward is critical for our economic development and how do we support and continue to support over the long term investments in those infrastructures that we have here that have been under utilized over the years.

And then the other issue that I think that we really need to get our heads around, which I know all of you discussed this in your deliberations were you mentioned it, Greg, PERS cost, but also the cost of health insurance.

And since, you know, about 80% of our costs are wrapped up in labor, those are things that we're going to have to figure out how do we meet those challenges without, you know, basically destroying the infrastructure of the city and trying to do that and meet the needs of people whose costs of living is continuing to increase, and it's not being reduced.

>> Question.

>> Mayor Knudson: --

>> I think it's three really good points and we'll get back to you.

>> Evans: You don't have to answer it now.

That's something for continued conversation as we move through this dialogue.

>> Mayor Knudson: Councilor Yeh.

>> Yeh: Yeah, thank you.

Just a few minutes ago you talked about education and outreach to the community.

And first, thank you for being willing to put in that extra effort.

That's a lot on top of what you have already done.

But I'm wondering have you talked about some ways you might do that?

Do you have some ideas yet?

Is that in the thing we're getting or -- is that part of step two?

>> Have you addressed the specifics yet.

>> We have not.

I will tell you, in addition to all of these meetings, we had a smaller team of economic development folks meeting on Friday, working over the weekend to be prepared to come back again in January.

So we've had a few things --

>> Yeh: A few things on the plate.

>> Done in a short period of time.

But everyone on the committee recognized how much has to be done to get people to pay attention to what's going on with the budget: And the issues that you are facing, and it is something that people don't want to pay attention to, but they must.

And so that was a real priority and a lot of discussion at the table.

So do we have solutions yet?

No, not yet.

>> Councilor Yeh, I can add that our communications director, Elle Casey who is not there at the moment and others have been meeting as part of this process, working with Twylla, how we can build packaged, short informational sessions or pieces to help share some of the learning of the technical advisory committee.

So we have that parallel work that will be supporting and kind of amplifying that learning.

>> Yeh: And the group will be involved in that?

I think that would be nice for people to see, you know, folks that were on the committee.

These are like little videos or something.

It's not secondhand, it's like, yeah.

Awesome, thank you.

>> Mayor Knudson: Okay.

Well, with that, I will just add a couple of thoughts very briefly.

One, just adding my voice to everyone who has observed the value of this work.

This is incredibly valuable.

It was incredibly valuable time, watching the amount of information that our staff presented to them each week.

Really remarkable opportunity for a lot of education and a lot of modules and information to be pulled out of that.

Quite dense, but actually really fascinating and important as you just said and ready for our community to understand.

I want to especially thank Greg, the T.A.G. members who are here, all the T.A.G. members who dedicated that time to this work and also to your willingness to immediately suggest the creation of an economic development strategic advisory team.

That's always good when work concludes and people are ready to do more work because they feel really good about what has been accomplished and I think that this is

going to be incredibly helpful as inputs to the city council process that is already planned in these next few months to be able to take a deep dive and do some work on the long range sustainability and stability of your financial picture.

There's been a lot of conversation at the economic development summit in Eugene and also in Portland today about the future that we're looking into.

It's not a rest on your laurels future.

We are very fortunate that this work is happening at a time when we can say we have time to do something.

This is not happening and we're shocked by what's occurring but we actually have time to be able to work to meet these needs and prepare our community for the future, and I think I'm really excited about the way that we will continue to build this community into the future and a lot of other people see that potential for us as well.

So thank you so the council for your support of this.

Thank you, city manager, for adding this to our plate.

Looking back on 2025, there have been a lot of things added to the plate, and I just want to say that there are so many things that come out brilliantly at the end that look effortless because they were done very well, but that is almost always because enormous effort was expended to be able to make that work.

Elegant for the engaging with it and then easily translated and to others, a lot of gratitude.

>> Can we say -- Greg wants to say one thing.

I can read his mind at this point.

>> So I would be remiss if I didn't also acknowledge that Mayor Knudson attended every single meeting and was basically an observer, but we are eternally grateful for your support of this, and for showing up the way you have.

So it's a great example to the community from our perspective that you took the time that you didn't have to participate in this particular project.

So thank you.

>> Mayor Knudson: More than happy to spend that time.

It was excellent, excellent time spent.

This does conclude our agenda for today.

Thank you all very much and I will now close the December 8th, 2025 city council work session.

We are adjourned.