

ROUGHLY EDITED TRANSCRIPT  
EUGENE CITY COUNCIL  
WORK SESSION  
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5:30 P.M.

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>> Mayor Knudson: Good evening, and welcome to the February 9, 2026 work session. Is there is no public comment for the work session. You can call into one of the phone numbers for this meeting to view. An AED is located behind the counter on the wall. In case the emergency evacuation, emergency exits are located through the double doors. Thank you all again for joining us this evening. I now call the meeting to order. And I will turn it over to our city manager Pro tempore to address the first topic.

>> Thank you, Mayor. Tonight we'll be presenting the final report from the city of Eugene's technical advisory group on that is TAG for short. We'll have some additional TAG members come up. We will have plenty of time for Q&A. We have the full 90 minutes tonight. A little bit about how we started this process. As council knows, this process was one of the outcomes of what was a really hard year for budget conversations. A lot of services the community cared deeply about, potentially needing to be reduced. We worked through a compromise that saved the services most people cared about. It did have an impact on the positions and resources we use for the city's work. But what came out of that was council direction on July 14th, to city manager Medary to create an advisory panel. We then asked 12 community members who have expertise in operations efficiencies. Finance and basically being CEOs of countries to join us for 11 meetings, in late September 2025 to learn about the finances of the city, how we do our work, and where there might be opportunities to do things differently. I'm excited to introduce Greg Irwin, he's going to talk a little bit about the membership and get this presentation started.

>> Thank you, Matt. Thank you, council for allowing us this time this evening. As I had the same problem with my voice a few months ago, I seem to have lost it again today. I'll struggle through this a little bit. I would like to take a moment to

thank all the megs of the TAG, and I would actually ask all the members of the TAG who are here, please stand up just real briefly. Thank you all very much. This group of people committed dozens and dozens of hours of work and research. Many hours reading on weekends and nights to get through this work. I'm thankful and proud of the work we've done. I want to make a few brief comments about this group and the work we did, and we'll get into the guts of the presentation and the details. First off, I want to say that I'm particularly grateful that retired city manager Sarah ma dairy created this opportunity for us to engage with the city that is unusual. I'm not going to say it's unprecedented. But certainly unusual. And I think that the benefits, the results of that have created tremendous success, and you'll hear more about that in a moment. I'm also grateful for the council for engaging with members of the TAG throughout this process as an effort to get to know all of you together, many members of the TAG and [ Inaudible ] Have met with you folks individually, and we appreciate your forthcomingness if you will in that regard. We're here this evening to provide you with additional color to the report we gave back in December. Hopefully you'll find the deeper dive this evening, valuable and insightful and a building block for where we might go in the future. As you know by now, I think all of you have seen the report, it is voluminous at best, and so tonight is really intended to be a presentation that is a summation of that report for everyone's benefit, I believe. Anne Marie Leves, many of you know, her organization was the organization that facilitated this, so adeptly. This would could not have happened without Ann Marie and her team. And Sarah Emmens will be providing the summation to you in a moment. You'll hear much about benchmarking, data, goals, development and our recommendations, but more importantly, what I would like to have come out of this meeting this evening is our commitment to furthering this collaborative work with the city. As we learned, as we went along. Believe it or not, 11 weeks, 11 meetings, 11 weeks, is not enough. Not near enough time. Complexity and the out of information that we needed to try to process despite Herculean efforts by the TAG members, we need more time, and we hope that you will support this being an on going effort going-forward. You're also going to hear from three other TAG members, in addition to myself. They're going to talk about their experience and how they felt about the process. I think you'll find that valuable as well. All 12 of the TAG members I may have mentioned in December, came to this process with open minds, no agendas, other than to be problem solvers. I think that that throughout the process. During the process, we also learned that city staff is exceptional. Those folks provided us everything we needed, when we needed it, in a hurry, usually in a hurry, I'm looking at Twila, with transparency and a good attitude. And they took complexity, were able to boil it down in concepts we were more readily able to assimilate, which is no small task. So I want to congratulate city staff for the tremendous support that they provided us. We also learned in this process that the city has done a commendable job managing the budget and our tax dollars. Despite what we may have thought, we found out how complex it is, how we can't come in here and say you can run this place like a business or private business. We learned how the constraints that you all face are not common in the world that we operate in. So there's a great -- much greater understanding and a spirit of Esprit de corps that has been developed, because we think we understand the issues you all face. We can go back to the

community in ways that may be more effective than other ways. We hope that the city has also feels that that Esprit de Corps goes both ways, we can be trusted, partners. We want to be partners, we want to be problem solvers. We don't want to be the enemy, we want to be helpful. So again, last thing I would mention is, we have a strong desire to continue this work in some way shape or form. Whether it's TAG2.0 or some other group that's formed. We think this work is valid, worthwhile and will produce solutions that will benefit the entire community. I'm going to stop talking and let Anne Marie and Sarah start to get into the guts of the report. Thank you all.

>> Thank you, Greg. We would like to talk about the approach, we were here in December and gave a highlight before city manager ma dairy left. We have really gone more into detail. I'll be honest, there's no magic in any of these recommendations, but what I will tell you is there was magic in that room. When you put this all together as a plan that we are invested in, and that the city is invested in, that's really where this comes together and creates a bright future. We spent the first four meetings deep diving into the city budget and services, many questions as you've seen from the appendix. Looking at the limitations of government, benchmarking, Sarah will be here to do more of that. Looking as we say in these three areas. In city operations and efficiencies in revenues, and then in economic development. We identified a whole bunch of options, and we evaluated them, and then came to consensus at the end on what those strategic recommendations as I'm sure you can understand, coming to a consensus with a lot of different points of views, but I will tell you that this committee is wholeheartedly behind these recommendations you'll hear more of this evening. I wanted to touch a little bit on principles of action, there were a lot more in your report, but what we thought were a few in talking with the city manager pro tempore we talked about the highlights, looking ahead at this idea of long term prosperity nor the community, which really focuses on some of the job growth, job creation, and economic development. That's in that one area of economic development. Looking at the organizational review, looking, are there gaps, inefficiencies, ways that it can be done. Really, this team had a lot of expertise. We do not have expertise in how to be as efficient as a government organization. So making recommendations around that. And then in looking at the revenue area, look at new or increased taxes as a last resort, and I'll talk a bit more about this. We do recommend -- we do realize out of the work that we have done that there may be need for a new revenue, how can we do that, but how can we also use revenue to invest in some long term prosperity. Engaging stakeholders is really what I will say the city council does well, and yet there's so many people in this community that don't engage, and especially around difficult conversations around choices. And around budget realities. So having a partnership with people who are now invested in this to help, having more discussions about some of the realities of providing services that the city does so well. Looking at -- articulating an economic development strategy, and looking at ways to partner, to look at some of the state legislation that has hamstrung many of the cities and counties within the state. I want to talk a little bit about the fiscal NorthStar and the revenue considerations. Really as the committee came together we talked a lot

about what was our NorthStar. How did we need to solve this complex problem from an outsider point of view. And so we came to our problem statement, which we call here the challenge. I'll turn it over to Sarah to talk a bit more.

>> Great, thank you.

>> I have the clicker too. Can I drive for a little bit.

>> You gave it to me.

>> I'm Sarah Emmens, thank you for the opportunity to be here and talk about this important work. As Anne Marie mentioned, you were briefed on this in December. I will be walking through pieces of the problem statement, and giving a taste of the research and work that Greg mentioned. My role in this process was to coordinate a lot of that research and analysis, with the great partnership of the city staff who did the bulk of the heavy lifting with the fiscal analysis you'll see. The first part of the TAG problem statement here emphasizes that the structural imbalance as the city has and continues to face as you well know, this chart is one that I believe this council is probably very familiar with, this was put together by city finance staff, and probably many of you were sitting in the seats you're sitting in now for the decisions made here, especially on the right-hand side of this chart. This chart shows the one time and on going budget strategies, the city of Eugene has implemented over the past 16 fiscal years to deal, to react to the structural deficit facing the city. In total, \$91 million over this time period. This actions that you'll see, really emphasized to the tag that the city has taken steps to remain lean and respond to fiscal pressures. This was important to set up the recommendations which Anne Marie will walk-through. Can the city look at expenditures and be more strategic, rather than reacting to fiscal pressure. Back to revenues and efficiencies, we were given by retired city manager Medary a \$10 million target. It's not hard and fast, there's nothing that says, it's the X, we were there to solve for. Our revenues are limited with property taxes versus cost, there is a structural deficit that will go on into the future. The committee defined the operational efficiencies and reductions, and revenues together. We felt they were really joined. Looking at this, we have that 10 million annually within 5 years, goal for that, but to look at the operational efficiencies, to identify things that we could do and then look at revenues, we talked a bit about some of the cuts that have already been taken. What I will say is, the way we've sort of visually put it out, I would normally not ever put this many words on a slide. So I apologize, it makes my poor little designer heart hurt. But in 6 to 24 months, it shows the urgency that what we're saying is, these are not things we can wait five years to do, but there are things that should happen quickly, in looking at the operational efficiencies and reductions. So in 6 to 24 months, looking at core city services, which are essential, align the budget with stated priorities, knowing that there are things that will be happening already, but just sort of lining up with the work that city staff will bring, updating the financial policies and procedures, to update city service priorities, hasn't been done in I believe about 10 years, the update on that. Looking at a framework for city service prioritizations, and then

direct limited resources. Second thing is, looking at bringing in an outside expert, as I said at the beginning of this, we brought our expertise. He everybody brought their point of view, to be experts in what a government does, is not something that we believe we could take on, so having an outside organization that could come in and give that level of, maybe there are ways that could be more efficient, even after all these cuts, maybe there are places we could look to outside partners, and grow. But really, looking at the experts, to give you the third party reporting on this. It does two things in many ways. It gives you the outside endorsement for what you do. Even though each of the city departments goes through an audit, there may be ways we could look at other things. It gives you that, and it also gives that level of reporting back to the community and an outside group that comes in, and further endorses the good work the city has done. And streamlining this is turning around for planning and department, to minimize regulations of what can be done. Those were the things that the committee said were important right away. Looking in two to three years, recognizing how much is on your plate, looking at the city's long term strategic plan, and updating that to look at the competitive advantages we have, and aligning values around that and looking at strategies to reduce employee costs, recognizing how much of your budget is invested in employees, which is very important to get the work done. If there are ways to do something. 5 to 10 years, as anyone knows, the further you get out, the more difficult to be specific. Just talking about this sort of vision of operating leaning with the culture of efficiency.

>> Thanks Anne Marie. This sets up the work that TAG did. We go from many words to almost no words, so we do have time for questions later. Questions about this or anything else, please do ask. The tag as I said spent time understanding how the property tax base is constrained. No financial discussion is complete in Oregon without talking about measures 5 and 50. They also relate to property tax base. Specifically that growth above the 1% that's allowed in the state law. This chart shows the estimated tax revenue generated from new development over the past 9 years. Counting the bars, it's about \$1.4 million on average, there's considerable fluctuation year to year as developments come online. Most of this growth has been in residential property, which is the dark portion of these bars. This is typically assessed at lower rates, and has the net impact of creating less revenue. The TAG was interested in tax base, and economic growth and community well being, also approaching new revenues with caution.

>> As we move to the second part of this, looking at revenues, the tag group went the through the work that had already been done by your revenue committee, and the exceptional work that had been done there, and looked at what was possible, we started doing a similar process in many ways to what that committee did, saying what could be possible. At the end of that, we really looked at understanding better that it's great to start first in the place of communicating the budget process around priorities, the choices, so the community can be engaged. We get to a point where people understand what the issues are about need for more revenue. And then looking at -- before implementing a revenue, while also understanding that there will be need for a new revenue. Just in the position that the

city is in, to look at minimizing expenditure levels, increasing efficiencies. Looking at just a general recommendation instead of us saying what that revenue would be. Instead of an impact that would impact the greater community, and not selectively target individual or small groups. Also thinking about making sure that this revenue didn't have an unintended consequence of potentially hurting future economic development, but also, using part of the revenue to dedicate toward economic development. Did I do something -- thermal safety.

>> Maybe my hand is too warm.

>> If you look at a revenue, part of it could be dedicated to economic development to create that long term shared prosperity. In three to five years, obviously, you can't say we'll have a new revenue source, we'll start it tomorrow. That would take quite a bit of time. In three to five years, look at what was needed to close any general fund gap, and look at what would be needed for any targeted investments, and then 5 to 10 years out, do an assessment of that, a little like what's being done for the community safety.

>> Finally, outside of the fiscal pressures, the long and short term fiscal pressures we talked about, the TAG identified more structural problems, challenges, related to the city's economic health. And these challenges the tag found will impact the city's livability and its growth potential. Eugene is not alone in facing these challenges. What you see here is a quote from a former colleague of mine, John Tapania who was recently named as the leader of the business council. John talked about the threat that Oregon is entering a new era of stag nation. I believe this council was briefed on data points, relating to homelessness, K-12 achievement and population growth. The TAG asked what this means for Eugene, more importantly, for the economic and community well being. So as some of the research that we did during this process -- or I did for the TAG during this process, and I'll be talking about this research to you next month. I'll come back and present some of this, thanks to Twila for the invitation. We did a benchmarking exercise, where we looked at Eugene and similarly sized cities that played similar roles to Eugene. You're looking at employment data the TAG requested. The only significance of the year, is the first year of bureau labor statistics dataset. There's no other reason to start there. Eugene grew about 30% during this time period, compared to Boise, which grew 170%. The other cities fall somewhere in between. Eugene is definitely lagging, at least this group of comparable cities in this one data point. One question that might come to mind, and the TAG asked this question, does this growth really represent population growth. What we're looking at is not really jobs, but population growth. Unfortunately, the answer is no. This is a different view of the same dataset. On the left you see the dark bars represent growth in regional employment from the period 1991 to 2024, compared to growth in city populations, that's the right-hand side of the clusters. And as you can see, Eugene is the only city in this group, whose population grew faster than regional employment all the other cities had population growth. Demand for Eugene services and local governments in the area grew faster than one measure in the economy. The TAG wanted to use some of this

information about the historical job growth, and population growth to use the data as part of its recommendation, and really to chart a course for Eugene. The chart you're looking at here shows baseline household growth for the city of Eugene, this is the urban growth boundary, a population forecast applied to city households in dark blue here. The light blue line here is a target that the TAG created to say, what would it look like if we bent the curve a little bit with these recommendations, instead of achieving .7% population growth, what if we grew by 1%, just 3 percentage points higher. Similarly, this chart shows a baseline job growth projection. The dark blue line here shows the city of Eugene's jobs within city boundaries, growing at Lane County projections. That's the measure we were able to apply the forecast for, applied to the city of Eugene, and the tag growth is the light blue line here. In this scenario, the baseline job growth is for .5% annually, through 2034. The TAG's target is 1 percentage point higher. This is an alternate pathway the TAG was aiming for. These targets allowed the TAG to add some specificity to their recommendations. There's a model that accompanies these charts that produced a goal for the city to achieve in terms of new tax revenue for new jobs and new development.

>> So our third area is the economic development. And from the numbers that you just saw, what we come to with this, within 10 years is 14,000 jobs, and \$25 million in tax revenue. Not from 10% higher, which wouldn't be realistic, but from 1% higher. Looking at ways that we can -- and you said it, so eloquently bend that curve a bit to be able to grow this. This is not like turning on the faucet, it's not like tomorrow. You're saying, okay, now we're doing economic development, we're going to grow by 1%, it will happen, it really is starting today, and we start to implement. It's probably no surprise to any of you that this is where much of the TAG work went, in looking at this, and where we see. We can be useful into the future. Again, my poor heart gets sad at this, but you've seen the report, just to have these data points up there for you, to see, really looking in economic development, strategic advisory team who could bring their expertise to help some TAG members, would love to be a part of this. Looking at a strategic economic development planning process, looking at analysis, understanding where are strategic and competitive advantages are, I remember from one of the TAG meetings, listening to our Mayor talk passionately about how many good things happen in Eugene that we almost don't ever talk about. And so there is so much that could be done. Looking at the importance of a healthy business environment, to help the overall community to be able to pay for things, that we want. Working public/private partners to declare clear roles, moving this work forward. I really want to say I think we're at an inflexion point in this community, where we have a lot of people moving in the same direction. We have members of the chambers of commerce, the university -- so many people who are looking at how do we help grow in a way that really serves our community and serves the ways we want to be with corridor work. So much is happening. Nobody on the TAG thinks the city has to do this alone. It really needs to be all of us working together. But we all do have to work together to do this, and the city is an absolute critical part of that. Looking through things, the strategic partnerships, describing the strategy, and then really identifying the resources needed for this, this all in 6 to 24

months. 2 to 3 years, we begin to coordinate and align with the regional partners. Some of that is happening right now, it will take time. Looking at business retention and expansion. Economic development is not about saying, turning the light on that says we're open in a large company will come and solve all of our problems, it really is about retaining and expanding the people who are already here, finding ways to keep them, identifying what is needed, should we be able to bring new people. And then looking at ways to really support housing expansion to support all of that. 3 to 5 years is what's needed for infrastructure. Some of economic development will come with costs. That is a really important thing. Not all costs are equal. Some business expansion doesn't cost as much. So looking at things as well as state level reforms that can help us to be more competitive. And then five to ten years out, really looking at this gross total of 25 million for property tax and payroll tax. We had a question today from our reporter talking about really how is it just -- you know, the money that we get from development. And with new business comes new payroll tax, comes new jobs, new people coming into the community, investing here, so there is a lot that comes from it, not just that. I want to stop talking and turn it over to other people. Would you like to introduce? And we'll go away and have some of the TAG members come up.

>> I'd like to invite Samantha Sorenson from McDonald wholesale, Darren Sparks a retired community member, and Jeff McGillvray to come up and share their experiences.

>> I have the pleasure of going first. I somehow drew that lucky number, so -- thank you guys for giving me the opportunity to get to know some of the members of the TAG, and give an opportunity for me to just tell you a little bit more about me. We were asked to just give background on who we are and why we said yes to the TAG, and some of the important pieces that we feel like came out of the rims and the report. And that speaks specifically to our experience. So I'm Samantha Sorensen, I think this is supposed to say CPA instead of CPS, who knows. I'm a CPA, first, I'm a mother of two, I have a 5-year-old and a 10-year-old, the community here is obviously very important to me. I'm a transplant from Idaho, I moved here to start my career in public accounting, working for moss Adams in their tax advisory group. Supporting most of the local businesses here. After my career, I left and worked for rose Berg forest products, doing all of their tax compliance that they do. And then I now sit with McDonald wholesale as their controller. Again, this is a local company -- that serves a lot of our local restaurants and local wholesale food. I met Sarah through the united way board, we both serve on the board and the executive committee, I'm the treasurer there. She had a little exposure to my financial acumen, and asked if I would be willing to join tag. I said yes for a number of reasons. It seems like it's difficult to say no to Sayre remark as we all saw everybody say yes who was requested. Also, I really do care about the community and I wanted to get my hands in a little more. I was interested in learning and understanding where we could drive the community as my children grow up here. I also am a first generation college student. I had a lot of hem along my way. I give back when and where I can, I was excited to be given the opportunity. I will say that

it was an incredible experience, I learned so much about the city and the city operations and the finances, but I also learned a lot about our community, and a lot from the members that were on this advisory group. We talked about the expertise on the group, I would emphasize it is really incredible the minds that came together, and I learned so much from everybody, and it's great to have those contacts. A few things that I really took away from the report and the experience that we had is one, going back to zero based budgeting, I know Twila is working toward switching up how we do budgeting. And given my financial background, I believe in starting with the basics, and building up a budget. I'm really excited to see that next process and how that all goes. The other thing that I really loved is, as you can see these charts, the stuff that Sarah provided was incredible, and I know we plan on building on that, and really starting to get a deeper dive into those numbers. A lot of it, we would all be able to identify without the report, but there's so much in there that did surprise me. I hope everybody has a chance to go through that and digest that data. It's insightful. It can lead to important discussions and just some development that could benefit us all. And then finally, the other thing I'm most excited about, is economic development. I would like to call growth, because I think that when you hear economic development, you imagine new employers coming in and developing on empty plots. There's so much more to that. There's growth in our population, you look at some of the figures that Sarah provided, you can see our population on a whole is aging. And we aren't retaining young families. I experienced the adversity of moving here, having no support system, and then going through Covid with a 4-year-old and pregnant with my second. I understand there are some struggles we need to get through in order to experience that growth and decrease our average age. I think we all understand what the impact is on our community as we watch that average age go up. I'm excited about that and the overall picture that we can have for the economic development and pulling together, what does Eugene offer, and where can we specialize and highlight. Just like Anne Marie and Sarah mentioned, there's many things we do so well that we don't talk about. Putting that together as a package, and reminding the community all the things we have to offer here. I'm excited about the movement and where we're going to go from here. From that, turn it over.

>> Good evening, council, and thank you for giving us the opportunity to share observations. My name is Darren Sparks. I'm not sure how I feel being identified as a retired community member. I guess I feel good about that. A little bit of background. I was a long term business owner, sold my business about a year ago, and thought I was on my way to sailing my way into easy street. Shortly thereafter, found myself on the TAG committee, with a lot of reading assignments and wondering what I got myself into. My experience was different. As you heard from other members, it was a joy for me. I could not tell you how much I enjoyed the experience, it was fantastic. I'm really here to share more with you, the optimism and enthusiasm I had departing from that exercise. And the reasons for that, especially, I think around economic development, and in particular, day 2, should that occur. The areas I wanted to share, why I have that enthusiasm and the optimism going-forward, the first part is capability. You already heard this, but I'm

going to say it again. I really enjoyed the capability of my fellow business leaders, maybe even more so the city staff, we have a lot of talent. I look forward to the way the talent can be applied to the activity of economic development. That's one of the clear things I'm enthusiastic about. The second one is around attitude, I think there's a shift in a more welcoming environment around the notion of economic development. I may be wrong, but I think that there's a lessening of the cynicism that's around, the notion of economic development, as if it's greed and opportunism, it's very necessary activity regarding our prosperity, I think we're seeing more endorsement of that, more recently from our governor who has a prosperity road map. This is something that is necessary for us to do, I think the environment is more welcoming to the activity and that excites me. I would share, add a business owner, the best businesses have always recognized that their vitality economically is not the end game, that's what fuels you to pursue your mission. That's what happens in my business. You need the economic vitality to serve your mission, which is to serve our community. Those things are becoming okay to say and do. So I'm enthusiastic about that. The third thing I think has me enthusiastic. Are some of the tools that I see we could bring to bear in day two. Obviously there's very conventional tools like SWOT analysis. Absolutely, of course we're going to do and take a look at the strengths that we have, the opportunities we can leverage. That makes really good sense. There are other things we can be doing as well. One of them, I think we'll be tapping into our community ethos. This community has a distinct personality, and sometimes we look at that and say, there's some things they will tolerate and some things we won't tolerate. I want to flip that around, what can they help us promote. I think there's a lot to be dug into. What can this community help us do by way of pursuing our economic prosperity. And I would also point to some inspiration we have at this moment in time. I look to our neighbors in the north, who have a climate innovation hub. It's fascinating that they are looking at doing good for the world. That's what I see us doing next. We happen to have our own local circumstance, which has been mentioned already. We have an information corridor. Bringing good to the work, we can tap into that for two purposes. I think we have an opportunity to synthesize these things I'm speaking of. We have a shifting attitude that will endorse this activity, and we have all these resources we can bring to bear. If we synthesize those things together. We can do a lot for the prosperity of the community and do good for the community. I'll close by saying, I think day two, if that occurs, is the beginning. That is a process that we all need to make sure we commit to. It is perpetual. It's not a one time thing you put on the shelf, and we execute. You need to make sure that's nurtured, reviewed regularly, make sure it's getting all the resources we need, and we have to make sure we adjust it on a regular basis. If we'll do that and invest in that, and do all the things I've just discussed. I have every reason to believe we can be prosperous, and at the same time, do great things for the community. That's my speech. Thank you.

>> All right, Mayor, city manager, counselors, appreciate your time, all the services you provide to the city of Eugene. My name is Jeff McGillvray. Vice president of the Lane County AFL-CIO chapter. I'm a labor guy. A little different perspective from everyone else on this committee. You know, I'd like to thank you for

authorizing the former city manager to assemble this group. It was challenging, but very important for me, and I appreciate being asked to be a part of this committee. As a strong union member and supporter, it's important for union jobs, the city of Eugene has always been a supporter of union jobs. We want the best people working for the city. We're all facing the need to be as efficient as possible. And look for ways to communicate better about our priorities. Every city in Oregon is facing difficult decisions in choices right now, costs are rising faster than property tax revenues, we need to figure out how to come up with solutions. You've all had to make some pretty hard cuts over the last few years, and are going to be facing more in the future. A couple things from my experience, the Springfield process, doing the same thing last year, when we did that, we had a report that was made by a third party, Anne Marie alluded to that earlier. It was helpful for us to be able to see that, it showed where they were efficient, where they were lean and mean, where they weren't and everything. It not only helped us make those decisions on what to cut, what the payroll tax that they're proposing, it also gave by in for your taxpayers, the citizens, they saw you already -- went out and seeked outside help to find this out. So I would definitely recommend -- it will be definitely recommending that. We do that before any revenue measures, that way it gets the buy-in for everybody. The unions, we understand more jobs, more building is good for us, good for the tax base, we also know that new tax revenues will pay for things that make this community so livable. I lived in Eugene for all 52 years of my life, from the age when I was paying attention, probably would have been in my 20s much Eugene has taken an approach, reactive approach of recruiting and retaining businesses. I really feel that moving forward, we need to be proactive in that, in recruiting and retaining good family wage businesses to the area, that fit Eugene. There's a lot of Groves that are going to be at the table with this, working out the solutions for Eugene's problems, I do a lot of conflict resolution. There's the orange story where they talk about, everyone wants the orange, right? But in reality, we all just need a part of the orange, a different part. So we can all have it, we can get it all, what we need without anybody going without. I believe we can find responsible solutions of Eugene's budget, employment and housing issues, without using the uniqueness that is Eugene. With that I appreciate my opportunity to speak with you.

>> Thanks, everyone. Really appreciate that. While Anne Marie, Sarah and Greg are coming back up. I want to reiterate what a gift the members of this community [ Inaudible ] With their time and engagement. It was amazing to see how engaged this group was, and how eager they were to dig into hundreds of pages of city budget information. Technical work, Sarah's research, to really sit with the challenges that we face, and look for opportunities. And I just really appreciate all of the folks on the committee, and thank you for that.

>> We have a focus on prosperity and how we may do things differently. Realizing it's an uphill battle. The economic forecasts are not great, and if we're not proactive, we will end up seeing impacts here. There's a choice we can make in this work. A couple things we need for day two. I think these will be in front of us soon. One is, we're going to be moving into our long range fine planning work with the

council. The first work session will be March 11th, is that right? And that will be bringing Sarah Emmens back, she'll be presenting the benchmarking information, that we thought was useful. I use the phrase with Councilor Zelenka earlier today, I think all the apples and oranges are in the same basket in this work. It gives you great information to consider. Secondly we are looking at bringing an economic development work session to you in the spring to talk about how we might support moving some of this work forward. We're very lean as you all know, in that area with staff. And we'll learn more about economic development. You heard about the South Willamette corridor, several communities are at the table talking about how we work together around economic development, and how we may get together to have the two research institutions as anchors in that work that we can build upon. We're all looking at what the right roles and -- are for these different groups, and I think it will help inform that conversation on how we can -- if council supports it, beef up on economic development, and also think about what an advisory group around economic development could look like. Like the best way that we could do that that would sit within the other groups that we're meeting to achieve this goal. We'll also be working to assess the 6 to 24 month recommendations, and how we can move forward on some of those. There's definitely some that are council conversations, there are others that are about the way we do our work. We're also working on comes around -- like creating some sort videos and other tools that will help the community understand our financial challenges, and the way the city does budgeting, that was something we learned could be impactful, as we bring the community along with us. And lastly, I just want to say, I had the opportunity to talk to a number of the tag members, and they expressed their interest in continuing to be a resource, and continuing to partner in this work. And based on that conversation, my proposal would be, and I would talk to our incoming city manager before we put it in place, what would be to -- would be to continue to invite that group, it's not a lifetime appointment I've told them. They put a lot into learning, and really being in a place that we can engage in some meaningful conversations, to have them meet on a regular basis. Probably not weekly. We talked about quarterly, but to continue to be a sounding board for the city manager in this work, and to be there to ask challenging questions about how we are moving forward and some of the recommendations in the work. I'm excited about that, and just incredibly grateful for the work of the committee. And for Anne Marie, Sarah and Karen who really facilitated this work, just outstanding work to do that. I think with that, we're going to hand it over to you, Mayor

>> Mayor Knudson: Well, fantastic, and I will say thank you to the three of you who are still at the table, and the three TAG members who joined us at the table to overview that broad process that was initiated in this past year. I will open up the floor to council discussion. Councilors, I have Councilor Groves, Councilor Clark.  
[ No audio ]

>> Mayor Knudson: Councilor Groves?

>> Councilor Groves: Thank you, thank you. Thank you for the TAG group, for your help through this whole process. I've been wanting something like this, since I came on council, I just felt we needed this outside view and understanding, and I'm thrilled to hear that some or all of you are willing to continue this work with us, now that you developed a better understand of how the city operates, and what our limitations are. I'm very concerned, I listened to John's presentation on stag nation at the chamber -- economic forecast presentation earlier this year. And it really rattled me. This is not something to take lightly. And when I hear some people in our community say, why are you spending time on economic development. Economic development is our pathway out of the position we're in now. And these graphs help illustrate that. I'm very much looking forward to that. I guess I still need to get all the way through the report. I've been gone for the last couple weeks. Despite Matt sending me an electronic version, I could never get the dang thing open. I'm playing catchup, and I feel bad I haven't been through the whole report yet, I'm reading like a madman. I'm trying to catch up, and I will catch up, but it's -- it just gives me goose bumps to hear you all talk, and the stories from the three of you that came up as well, and putting your personal fingerprint on this. I think it was helpful as well, I guess I'm going to be -- questions I will have, not today necessarily, but in the near future is, we've got this, we've got kind of a road map. I'm a checklist guy. So it's like, what do we do first, what do we do second. And start taking this in meaningful bites, I think it can be overwhelming if you look at it in its totality. But if we start segmenting this thing out, we can get there, it's important for the future of our community, for the future of our youth. We've got to do this right, and we've got to stick the landing. I'm all in on this, and I really look forward to the next steps. And from the bottom of my heart, thank you.

>> Mayor Knudson: Councilor Clark?

>> Councilor Clark: Thank you, Mayor. I would like to echo Randy's statements. Most importantly, the thank yous. It took a lot of work, and a real commitment to answer the question, how do we do better? And I've lived in this community for 43 years, it's hard to say out loud, but true. And I sense for the first time in a loaning time an opportunity for alignment among an awful lot of people who don't always agree, for us to look at this and say, the truth is, that we're all either progressing into the future and growing or we're dying. And it's time to chose. It's time to chose that we need to grow together as a community. And that we all have a roll to play. And so I -- again, I echo my friends thank yous for all the work of staff and the TAG group. I think as Anne Marie said, we're at an inflexion point. That's a very accurate way to talk about this. For me, the important part is day two, what's next? I have been at this table for a while now, and it's been experience that often we get really great ideas that die for lack of a second. You know, they don't maintain the momentum and the energy amongst council that they need in order to continue to move at the same speed and intensity into the future. My only real question is for Matt, do you have a thought process? I mean, you mentioned a few things there first, the day two stuff is the most important part to me. How do we be

the best help from a council perspective, in maintaining the intensity of action moving forward, especially the involvement of all the people.

>> I appreciate that, Councilor Clark, as I mentioned, I think there's a number of things that in the next few months that city staff will be doing, that's within the organization app frail work, and a lot of things we're going to be bringing to council for conversation, we'll be laying out this long range financial planning schedule of work that will happen basically March through June, up to and include a council workshop that will talk about some of these items. As I said, we'll be bringing back resources right after spring break to talk about what investments that we see that we might need to actually start moving some of the economic development work move forward. We'll be engaging with you, and looking for council direction on how we --

>> Councilor Clark: I appreciate your efforts, I assume you've had many conversations with Jenny, our new city manager, engaging her along the way.

>> We have been communicating with our soon to be city manager, I would say that I think we'll be able to ramp up the intensity of that, after maybe a potential action tonight. Once some things are signed, I think that we'll be able to accelerate that a little bit.

>> Is there a motion on the table for --

>> Thank you very much.

>> Not for this work, I thought you were looking at the further item later.

>> Thank you, Mayor. Thank you to all of you, such amazing work. Every time I hear TAG, I hear talented and gifted. And I can't get that out of my mind, but you certainly all are talented, and what a gift you have given us. So -- obviously the depth of this work is profound, and unusual, thank you, Greg for that word. I think the thing I like the most is kind of this through line through the report that it's not just about cutting or about implementing new revenue. Which often that's our choice. We're given -- which direction do we take, and how and why. Communicating that to the public. The through line I saw really was, how do we intentionally shape our future together. And I think that's really beautiful. And how do we do that before structural forces, which are immense right now. How do we do that before those forces chose for us, if we can get ahead of that, and really be mindful, intentional and collaborating in partnering with the amazing people and organizations in businesses and universities and entities in this community. We are all Eugene, and that's what makes Eugene amazing, and why we all want to live here. But we do have a lot of challenges, right? We have PURS, unfunded mandates from the state, lots of national and state level stuff that's going on, that's really hard. And we all see that, and sometimes it's really easy to kind of want to throw your hands up in the air and say, it's hard. But I think it's been wonderful to hear all of the opportunities that

you've identified for all of us to work together to move forward. And thank you for stating that we can't operate like a business, because we are not a business, right? Our products are services that we give to the community, so that people can live a healthy and well life, and want to live here. Our products are beautiful parks and libraries and fire department. And it's really that cost benefit ratio for the taxpayer of, what are we willing to provide. And what are we getting in return. And so thank you again for the work. I'm really excited for you to continue working with us. I'm very supportive of a process that will allow us to have you. I think a lifetime appointment is great. And I would like to see us understanding how we can communicate this to the community. How we can distill this into something that's digestible to the average working person.

>> I want to say one thing, and I hope Greg will talk about partnership from the TAG. I don't know if I've ever been involved in a process where at the end of a really hard, a lot of work, a lot of reading, a lot of digging and coming back week after week, almost everybody said, sign me up for more. How can I help the city. So that says a lot about your staff, it says a lot about this council of the commitment to this council, and just that people want to be in partnership with the city. And I know Greg, you've talked about that so much.

>> Thanks Anne Marie. For the better part of the last year and a half, we've been talking about bringing people together around our community for economic development, for lack of a better phraseology, prosperity, whatever you want to call it. We know there's financial challenges throughout our state, throughout our city, throughout all the communities. And the idea that we can solve problems if we get together and we talk. And what happened with TAG in terms of honest dialogue, transparency, good faith. The more we do of that, throughout the community, whether it's with council, whether it's with the university, whether it's with the business community, all the different stakeholders in our community. We have a moment, I believe, and a number of you have heard me say this before, that we are -- we're in a moment. It won't last forever. We have to have people engaged, and we have lots of people who are engaged right now, and anxious to be more engaged. If we don't take advantage of this moment, we'll miss it. So again, I just want to reiterate how important it is for all of us to continue to support this coming together and talking and solving problems together as opposed to coming at it separately.

>> Councilor Kashinsky?

>> Councilor Kashinsky: Thank you. Thank you for all the work you've done. I think my frustration with past conversations surrounding this. You've had groups that are like, these services the city provides are important to us, and the other side saying, if you were more efficient and did economic development that would fix everything. One of the things I think I heard was sort of a recognition and an understanding that all of those pieces are needed. It's not just be more efficient, it's not just align services with some arbitrary number. It's not just raise new revenue,

it's not just do economic development, it needs to be all of those pieces. And so I am looking forward to the economic -- and the other piece being state perform -- the other things the state has imposed on us. I am looking forward to moving forward with the economic development work. I do want to be cognizant of even cities that have had good growth in Oregon are facing a lot of the same challenges. Making sure we don't. This group, I know, focused heavily on the economic development pieces for reasons, still recognizing it's a larger piece of that conversation we need to move forward. I do think that's going to be -- continue to be a difficult conversation, when we talk about prioritization, and we talk about essential services, I think people in our community define what those are very differently. And in a way that I think from a surface level. Some of the things people would say are less essential, are not just things our community said over and over, we're going to pay for. We're willing to pass parks bonds, but also things that make Eugene unique. And so I think those conversations about prioritization are going to be really critical. As we move this forward.

>> You did hear us saying all three.

>> Councilor Kashinsky: Yes. Thank you. And thank you again.

>> Mayor Knudson: Councilor Zelenka?

>> Councilor Zelenka: Thank you to all the members, thank you for the time you put into this. I appreciate the recommendations and the numerous areas, wasn't just in one area or two areas, it was across the board. Greg, I appreciated your compliment and competency of staff, I think that flows to the entire staff of the city of Eugene, and under Sarah and previous managers, Eugene has become a really well run city. I think Eugenians get a very good value for their tax dollars, good return. Bang for the buck, and I think you guys have uncovered that. Again, a lot of us already knew that. I know you didn't find \$10 million in the seat cushions, so I appreciate you saying that we need to look, keep looking, and making our work and processes more efficient. Every organization needs to be continually doing that. And I think that will be necessary to build confidence and to educate some of the folks who didn't go through all the stuff you guys went through. I think you get to be a focal point of that process. Besides being a good thing to do, efficiency is a great thing. After 30 years of working on this stuff, I'm pretty confident that rooting out waste and inefficiency in government is not going to yield a lot of savings, it's important to keep doing, it's not going to help solve our budget crisis. I appreciate the call for the economic development that's in the report, every so often there's a call for more focus on economic development. I've been doing this, it's the third time this has come around in my tenure, that we refocus on economic development. It's important for a bunch of reasons. Well paying jobs, quality of life, sense of contribution and well being for our citizens. And I support the establishment of a group to focus on economic development, but it in itself is not going to be a very effective budget strategy in the short run. Definitely help in our long run for our \$10 million gap. \$25 million in new revenue, that I think if I used your numbers right, cost

about -- would create -- you need about \$6 billion of commercial industrial new investment in our community. That's not going to happen quickly. That's a long term strategy. I very much appreciate the core services and identifying that, and the plan also calls for marketing our competitive advantages, to make sure we get those investments, in my mind, those two things are intention. Core services means a lot to different people. And the competitive advantage is great place to live, safe place. Sense of community, spectacular outdoors, beauty. Arts, great library, a city that works. That's why people move here. If we're not including those in our core services, we're going to be doing our services a disservice in not being able to attract the investment we need, that's why people move here. And so I'm looking forward to the benchmarking, all those conversations, I think that balance is really important.

>> Mayor Knudson: Councilor Ye.

>> Councilor Yeh: Thank you. Thank you for being here again. I appreciate hearing from some committee members in their own words. I thought that was beneficial. Hopefully something we can continue doing in the future. One of the things that Darren said he hopes and believes there's an attitude shift in our community. I also hope that and I think that's real. But even from both sides, recognizing that our staff are not wasteful, that whole stereotype around government is not true. And also, that we need to invest in our community and be doing this work over the long term. If we don't start now, the long term will never get here. We have to start making these investments. That's one of the things I learned when I joined the Councilors, my misconception was about downtown, I didn't think of it as a garden that needed to be attended. If we put money in it, that should be fine, that was something I had to learn about, how you need to have that constant engagement and that constant check in, and how things shift, and you need to always be looking at that, that's how I try to think of economic development now, that I've learned and gotten hopefully smarter, as we all try to do. And that's kind of what I see in this plan, we need to be constantly checking on this, constantly spending time on, even though we have so many things we need to be working on, it has to be one of those priorities. That's what I liked about that report, it gave us a good road map to start with. In chunks that makes it seem more manageable, right? Here's six months, two years, three years, it doesn't feel overwhelming, we have to do all of these things today. Which is one of these things, and I think often is a set back for groups, there's just -- where do I begin, this feels so big. I really appreciate that. And I -- I also am so glad that I'm doing this, as a group, as a community, I don't think I can do this alone. I don't think that's possible for our one group to do, and make these decisions, and -- without the community. And so you guys are invaluable, and I'm so thankful. I read most of it, I will admit, I did not get through the entire thing. I will probably have questions, but you guys have been making yourselves so available, so thank you so much.

>> We will continue to be available. I'm not sure about the lifetime appointment

>> Mayor Knudson: That was in extremely small print.

>> I may never be able to call any of the TAG members again, but --

>> Mayor Knudson: Councilor Evans remotely? Councilor we can't hear you yet, there you are.

>> Councilor Evans: Can you hear me now?

>> Mayor Knudson: Yes. Thank you.

>> Councilor Evans: Can you hear me now?

>> Mayor Knudson: We can.

>> Councilor Evans: Okay. I want to thank the TAG group, and city staff for all the work that you put into this. This, you know, this group came about as an outgrowth of our previous council and budget committee discussions, where again we are challenged by the increase costs of city services the lack of having revenues to match what those needs are. But I want to go back to something that the CPA in our group talked about. And that is, the ability for young families to be able to afford to live here. So my son and daughter-in-law moved back here from spending time in China, working in China for a couple years. And then moving to Hawaii where her family is from and understanding that the cost of living was, you know, just way over the top for them. And having a 3-year-old and now a 5-month-old, and trying to figure out how you're going to make ends meet in this environment where we have runaway inflation, and we're not -- our incomes are not increasing to the level that's meeting the cost of groceries, health care, child care. All of these things that are critical to what I call having a successful family. We have a lot of challenges here. And I just came back from the east coast. We had a death in the family, and I had to turn it around within a week, so I haven't been able to fully dig in on the report. I started on it, but I'm going to have to finish things up like Randy here over the next few days or weeks. But my question to the TAG group is, how do we really look at the various challenges that youth families have with dealing with the cost of living. Food, health care, child care and all the other things that are necessary to having a successful family environment. That's the sector that we really need to grow is young families that are going to be here buying homes, staying here for the next 30 or 40 years, and hopefully retiring in this community, that we really need to figure out how do we support that. And how do we support them in being successfully engaged in this community. Both financially and socially as well.

>> I think your question is a very appropriate one, Councilor Evans, and I appreciate you thinking about that. We all want to have our children stay here, we want to have grandchildren stay here. We want to grow this place to be able to keep the folks that go through school here, go through high school and can stay. I think

it's a -- all of this and more. We need to really focus on, how do we keep all the things that Councilor Zelenka talked about, so we have housing and more affordable things for young families. It's critical to have that. I appreciate your question.

>> Councilor Evans, I would add to that by saying that one of the things that came out of the tag that was very important was a focus on jobs. And better paying jobs. And so one of the things that we're going to need to focus on is the ability for this community to create the kind of jobs that will allow the next generation to reside and stay in our community. So good jobs are going to be a chief component of the results that we're hoping to achieve.

>> Mayor Knudson: Thank you all, I will briefly add myself to the cue before we wrap up our agenda for this work session. I want to begin by saying that we all have heard that adage about the way that opportunity can come from crisis. I think in this case with the work that we've done in our community over the past year, the opportunities that we are finding are a result of a willingness of a lot of people to step forward courageously and trust a process, and do some of what I heard described at this table tonight, which is engage with a lot of complex information. Have difficult conversations, be listening to understand, but also asking follow-up questions, and we see real benefit and value from that work that is available to our whole community and this body as this council moves forward, in a lot of different conversations. I will say overall and in general, my appreciation for the clarity of the information shared, and then the expanse of that information, not a single request made by the TAG that wasn't able to be responded to through the team and the staff working in the city, and with good information, we proved something our community knows. That's when we have the information that we need, and people willing to come together around difficult challenges. We find paths forward. Almost always those moments feel a lot like this conversation felt to me tonight, which is like leadership in community. And seeing that broadly and collaboratively in a way that I hope we will continue to benefit from days, weeks, months, but also years, decades into the future. When I see charts like this that show our employment in comparison with several of the other communities that we would think of ourselves competitively in relationship to. That to me looks like the before, and I'm really interested to see where we are in the after. And as we continue to do this work. Because I think that there are many good things that will come from it. And that will come from the continued dedication and trust and partnership that are a part of this process. It's been really an extraordinary thing to see us circle around and then bring forward in this past year. I'll also say for those interested in talking more about housing, that's coming right up this week at your city council, there's a whole work session focused often housing, workforce housing, a lot of different opportunities present in our community that will be the focus on our conversation on Wednesday, and I always appreciate when that is a focus, because it's part of jobs and housing creating opportunities for families and people to invest and put down their roots in our community. With that, I will just say.

>> Mayor, can I thank you for you giving the attention to the TAG? I were there at every single meeting. You did not have the time, you probably did not have the energy, but you gave this your attention, and where leadership gives attention, movement happens, so I just want to echo what Greg said at our last meeting, your attention to this really helped us to be able to flourish.

>> Mayor Knudson: More than happy to offer, and will continue to do so into the future. With that, I will then say thank you all again. And this concludes our agenda for this work session. And I now close the February 9, 2026 city council work session. And we are adjourned.