Eugene City Council
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EUGENE CITY COUNCIL AGENDA

April 22, 2024

5:30 p.m. CITY COUNCIL WORK SESSION

City Council meetings will continue to be held in hybrid format using in person and virtual meeting technology. Information about online or other options for access and participation will be available at https://www.eugene-or.gov/3360/Webcasts-and-Meeting-Materials

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Meeting of April 22, 2024;
Her Honor Mayor Lucy Vinis Presiding

Councilors

Matt Keating, President	Randy Groves, Vice President
Jennifer Yeh	Alan Zelenka
Mike Clark	Greg Evans
Lyndsie Leech	Emily Semple

5:30 p.m. CITY COUNCIL WORK SESSION

1. **Work Session: Finance Update & Revenue Options**

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

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

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

EUGENE CITY COUNCIL
AGENDA ITEM SUMMARY

Work Session: Finance Update & Revenue Options

Meeting Date: April 22, 2024
Department: Central Services
www.eugene-or.gov

Agenda Item Number: 1
Staff Contact: Twylla Miller
Contact Telephone Number: 541-682-8417

ISSUE STATEMENT
This work session is continuation of the revenue conversation from the fall of 2023 to provide an update and discuss potential strategies to address the critical funding gap in the General Fund that begins July 2024.

BACKGROUND
The General Fund continues to have a structural gap with expenditures growing at a faster pace than revenues. The 2023-2025 Adopted Budget has a revenue placeholder of $8.3 million in the second year of the biennium, which will need to be addressed with additional revenues and/or service changes. At the December Budget Committee meeting the updated financial forecast showed the gap had grown to over $10.5 million and scenario modeling showed the gap could grow to $15 million depending on future impacts on expenditures. The current forecast shows the gap has grown to $13.9 over the next two fiscal years with continued cost pressures that will likely grow that gap in the future.

A Revenue Advisors group was formed in December to discuss potential revenue options and provide advice to the City Manager. Members of this group include City Councilors (Alan Zelenka and Lyndsie Leech), Budget Committee Members (Eliza Kashinsky and Rayna Jackson) and community members (John Barofsky, Dan Bryant, Mike Coughlin, Ashley Espinoza, Neel Nair and Dana Turell). Participants received the staff revenue report that was created in August 2023 and information on City finances and services. The group met seven times between December 2023 and April 2024 to learn about the city's financial condition and discuss potential revenue options for a range of funding issues.

Concurrently with the Revenue Advisor process, the Executive Team has continued to work on a range of budget strategies to address the gap and evaluate current service delivery. This work, along with Revenue Advisor discussions has shaped a potential path forward that continues to be refined.

This work session is an opportunity for Council to receive an update from the City Manager on these strategies and provide feedback.

RELATED CITY POLICIES
Strategic Plan Focus Area – Organizational wellbeing: To create a sustainable budget with balanced revenues and expenditures that provides funding for necessary services in the community.

PREVIOUS COUNCIL DIRECTION
September 14, 2022 Work Session
This session was an information update on the condition of the General Fund and the future financial outlook.

February 27, 2023 Work Session
This session provided a high-level budget update and a recommendation for a revenue team to develop funding strategies for unfunded services.

April 12, 2023 Work Session
This session provided an updated Revenue Committee proposal to develop funding strategies for unfunded services.

April 26, 2023 Budget Committee Meeting
The City Manager presented the 2023-2025 Proposed Budget.

May 10, 2023 Budget Committee Meeting
The Budget Committee received presentations on Alternative Response, Downtown Services, and Unhoused Services.

May 17, 2023 Budget Committee Meeting
The Budget Committee received presentations on the Fire Engine/Squad proposal, Climate Recovery, and URA Frozen Base.

May 24, 2023 Work Session
This session provided information on unfunded/underfunded service levels as Council considers a potential scope for the Revenue Committee.

June 21, 2023 Work Session
This session provided high level information on the financial condition of the City and discussion on a revised approach to addressing the structural gap in the General Fund and other funding and service prioritization needs.

July 10, 2023 Work Session
This session was a continuation of the Financial Condition and Revenue Update work session on June 21, 2023 to provide information and additional context to understand evolving financial needs and the approach for continued revenue and service prioritization discussions.

October 11, 2023 Work Session
This session included an overview of the revenue report created by staff in August 2023 and an update on the next steps for a revenue advisory team to advise the City Manager on revenue options to address funding issues.

February 26, 2024 Work Session
This session included an overview of the Revenue Advisor work to date including potential revenue options that could make sense for the range of funding issues facing the city.

COUNCIL OPTIONS
Information only.

CITY MANAGER'S RECOMMENDATION
None.

SUGGESTED MOTION
None.

ATTACHMENTS
None.

FOR MORE INFORMATION
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