City Council
101 W 10th Ave., Suite 203
Eugene, OR 97401
541-682-5010 • 541-682-5414 Fax
www.eugene-or.gov

EUGENE CITY COUNCIL AGENDA

January 9, 2023

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

---

Meeting of January 9, 2023;
Her Honor Mayor Lucy Vinis Presiding

Councilors

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

5:30 p.m. CITY COUNCIL WORK SESSION

1. **WORK SESSION: Parks and Recreation Funding**

2. **WORK SESSION: Strategic Planning Update**

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: Parks and Recreation Funding

Meeting Date: January 9, 2023
Department: Public Works
www.eugene-or.gov

Agenda Item Number: 1
Staff Contact: Craig Carnagey
Contact Telephone Number: 541-682-4930

ISSUE STATEMENT
This work session is an opportunity for the Eugene City Council to discuss funding parks and open space system and recreation services due to the 2018 Parks and Recreation Levy expiring in June 2023. DHM Research will present their recent survey findings which assessed voter support for renewing the levy and potentially increasing the levy rate.

BACKGROUND
As the 2018 Parks and Recreation Levy will expire in June 2023, a staff team from Recreation, Parks and Open Spaces, Facilities and Finance has met throughout the past year to consider funding options and service levels for the service areas funded by the current levy. The Parks and Recreation Advisory Board also provided input and guidance into this review.

The current levy provides maintenance funding to care for existing and future planned parks, operations funding for renovated and expanded recreation facilities, and funding to help address safety concerns in parks due to illicit activity and vandalism. The attached Park and Recreation Revenue Team report provides a summary of the challenges within the existing services and potential adjustments to the service level to address those challenges, along with a detailed evaluation of different revenue sources that could fund these services.

At the October 19, 2022 Council Work Session, Council directed staff to conduct a survey to determine voter support for renewing the levy and potentially increasing the levy rate.

<u>Funding Options</u>
The staff team reviewed a range of funding options as detailed in the Parks and Recreation Revenue Team Report (Attachment A). After review of a range of revenue sources, as detailed in the report, staff recommend renewal of a local operating levy, as it was determined to still be the most viable and advantageous form of revenue generation due to the voter familiarity, ease of implementation, and low administrative costs. A parks service fee does show promise for additional investigation and consideration in the future but was determined not to be a viable short-term option. This is due to cost-effective implementation of a fee likely relying on billing and collection by EWEB whose current software systems are limited in flexibility and will have more ability to implement fee billing and collection, if agreed to, once the systems are upgraded over the

next few years.

Service Level Options

Based upon feedback from the Annual Parks Survey, the Community Survey, and guidance from the Parks and Recreation Advisory Committee, staff put together different service level options for consideration that address the funding gap that would exist after the expiration of the levy, and the concerns and desires expressed in these public engagements. A detailed listing of the service options is discussed in the attached Park and Recreation Revenue Team report. A summary of the service options is presented here:

Scenario 1: Maintain the current tax rate.
Placing a renewal levy on the ballot with the same average tax rate for households would increase the gross revenue raised, but not enough to keep pace with inflation. This scenario would represent a service decrease from the 2018 Park and Recreation Operating Levy. This option would support $3.150M per year in services and cost the average homeowner $49 per year, at an average tax rate of $0.19/$1,000.

Scenario 2: 2024 Service Requirements.
A renewal levy addressing the 2024 service requirements would keep the existing service level consistent and would provide the funding needed to address the rising costs of caring for the existing park system, due to increased park use, inflationary pressures, and illicit activity. Additionally, the growth of the park system has outpaced current levy funding, with several new parks being designed and built that are beyond the anticipated maintenance level needs planned for in the 2018 bond projections. Maintenance, programming, and operations for the three renovated and expanded recreation facilities will also be addressed with this scenario. This option would support $5.230M per year in services and cost the average homeowner $83 per year, at an average tax rate of $0.32/$1,000.

Scenario 3: Enhanced Safety Option.
A renewal levy funding the additional safety and security services would meet all the needs of scenario 2 above and would also add the additional Park Ambassadors which are lead on camping response, and Park Resource Officers needed to respond to the increase and span of illicit activity in parks, natural areas and along waterways, as well as provide an increased safety presence for park patrons and neighbors. This addition to the safety team would increase the service level to address and cleanup the illegal activity and vandalism that has continued to rise. This option would support $6.0M per year in services and cost the average homeowner $95 per year, at an average tax rate of $0.37/$1,000.

If the City Council would like to place a levy on the May 2023 ballot, a resolution must be passed no later than mid-February to meet the election filing deadline of February 24, 2023.

PREVIOUS COUNCIL DIRECTION

Parks and Open Spaces and Recreation Services staff have presented updates and provided annual reports to the City Council since the passage of the 2018 Parks and Recreation Bond and Levy. These annual reports identified the achievements experienced with the levy funding and

highlighted the changing environment that these services adapted to as our community experienced the COVID-19 pandemic.

June 17, 2020, Council Work Session
Presentation on accomplishments in the first two years of the 2018 operating levy and highlights what Parks and Recreation are working towards in year three of the operating levy.

April 27, 2022, Council Work Session
Presentation on achievements in the 2018 operating levy and 2018 Parks and Recreation Bond through year four (out of five years) of the operating levy.

October 19, 2022, Council Work Session
Presentation on achievements in the 2018 operating levy and 2018 Parks and Recreation Bond and future funding options.

COUNCIL OPTIONS
This work session is informational, and no action is requested at this time.

ATTACHMENTS
A. Parks and Recreation Revenue Team Report

FOR MORE INFORMATION
Craig Carnagey, Parks and Open Space Director, 541-682-4930, CCarnagey@eugene-or.gov
Craig Smith, Recreation Director, 541-682-5334, CSmith@eugene-or.gov

Memorandum

Date: October 5, 2022

To: Sarah Medary, City Manager

From: Review Team on Parks and Recreation Security and Maintenance Funding

Subject: Future funding options for Parks and Recreation

As the 2018 Parks and Recreation Levy will expire in June 2023, a staff team from Recreation, Parks and Open Space, Facilities and Finance has met throughout the past year to consider funding options and service levels for the service areas funded by the current levy. The Parks and Recreation Advisory Board also provided input and guidance into this review. The current levy provides maintenance funding to care for existing and future planned parks, program funding for renovated and expanded recreation facilities and helps address safety concerns in some parks due to illegal activity and vandalism. Upon expiration of the levy, if future funding is not identified, staff will seek further direction from City Council on how to adjust service levels. This report describes both the costs of addressing current challenges in these services and summarizes updated information on various revenue sources.

Overview of Challenges

- Costs to care for existing parks is outpacing current levy funding. The primary factors contributing to rising costs of caring for the park system include:
    - Park usage has continued to increase, beyond what was forecasted in 2018. During the height of the pandemic, park usage increased 125% across Lane County. This has had a lasting effect on park usage as staff estimates current park usage is now 25 – 30% higher than before the pandemic. The increased visits to parks increased custodial costs such as restroom cleaning needs, garbage collection and disposal costs, and the increased maintenance and repair of turf and playgrounds, etc.
    - Illicit activity throughout the park system has continued to increase, increasing camping, vandalism and graffiti abatement costs, garbage removal costs, and overall repair costs.
    - Inflationary costs are outpacing the adjustment provided by the City's budget process, for items such as materials and services, and utility costs.
    - To help meet climate recovery goals, the cost to operate renovated recreation facilities, with LEED standards, has also increased.
    - General Fund budget reductions needed to balance the City's General Fund have also impacted park services, reducing POS's ability to maintain service levels across the park system. For example, funding for fewer summer season temporary staff was reduced, along with materials budgets for preventative care and maintenance of park landscapes. These General Fund reductions put pressures on the same parks and environments that the levy funding supported.

- Growth of the parks system has outpaced current levy funding. The current levy provided funding to help grow the system in partnership with the 2018 Parks and Recreation bond that was also approved by voters in May 2018. However, community parks like the Downtown Riverfront Park are also coming online to the park system and were built with the requirement for additional maintenance needs beyond the scope of what was planned for in the 2018 bond projections.

- Maintenance, and programming, and operations for the three renovated and expanded recreational facilities require additional, sustainable funding. Revenue earned from recreation programming does not fully cover the costs of increased facility maintenance and program operations. Recreation revenue has been and continues to be adversely impacted by the pandemic, affecting cost recovery goals.

- Costs to address safety concerns within some parks due to illegal activity and vandalism have continued to rise. The 2018 levy provided funding for two Eugene Police Department (EPD) Park Resource Officers to partner with Park Ambassadors to help increase the safety of park patrons. In the current environment, additional officers and park ambassadors are necessary to effectively address safety concerns within the park system.

Potential Solutions and Funding Need

Potential solutions have been identified and the type of activities needed to address these challenges are outlined in the following table.

Issue	Potential Solution	Maintain Current Levy Rate	FTE	2024 Service Requirements	FTE	Enhanced Safety Option	FTE
Park Operations & Maintenance	Developed Park Maintenance	$922	2	$1,150	3		
	Natural Area Maintenance	$256	2	$380	3		
	Future Developed Park Maint.	$496	1	$1,330	4		
Community Center Operations & Maintenance	Operations	$132		$650	2		
	Facilities Maintenance	$582		$590	1		
Operations & Maintenance Sub-total		**$2,388**		**$4,100**		**$4,100**	
Park Safety	Park Resource Officers	$404	2	$450	2	$900	4
	Security Services			$130		$190	
	Park Ambassadors	$358	2	$550	3	$810	5
Total – O&M and Safety*		**$3,150**	**9**	**$5,230**	**18**	**$6,000**	**22**

*$ in 1,000s; Enhanced Safety Option is additive to 2024 Service Requirements option.

2018 Levy

The 2018 levy provided on average $3.03M per year, for five years, beginning July, 2018 for parks and recreation funding including safety and facilities maintenance. The funding was used to improve the cleanliness, safety and general conditions of the City's parks, recreation facilitations and natural areas. The following is a summary of the specific activities funded:

- Two dedicated EPD officers and two Park Ambassadors for park safety and security;
- Illicit activity response activities such as illegal camp clean-up, graffiti removal and vandalism response;
- General park maintenance activities such as re-opening restrooms, litter and trash pick-up, turf mowing, landscape bed and tree maintenance, infrastructure maintenance (irrigation, lighting, furnishings, etc) and weekend/after-hours maintenance;
- Habitat and natural area maintenance activities such as invasive weed management, wildlife risk abatement, trail maintenance and infrastructure maintenance (roads, parking lots, fences, signs, portable restrooms, etc.);
- Future park, community center, pool and field maintenance that have been phased in over time, as the 2018 bond funded projects are completed.

Maintain 2018 Levy Tax Rate

The average tax rate levied under the 2018 funding measure is $0.19/$1,000 of assessed value. If the same tax rate was levied today, the total funding levied would not support the current service level. Assessed value has increased approximately 4% per year, but inflation on services has outpaced this growth, and is expected to continue to outpace assessed value growth at least through the next year. Keeping the tax rate consistent would support approximately $3.150M per year for services, which would represent a decrease in service provision from the loss of purchasing power over the last five years, due to inflation. This option would cost the average homeowner $49 per year.

2024 Service Requirements

The 2024 Service Requirements option outlines the estimated service level to maintain operations in the current environment. Included in this option's totals are:

- An additional 1.0 FTE to maintain developed parks to current standards under increased use, and cleanup parks and waterways effected by camping and dumping in parks.
- An additional 3.0 FTE to maintain future parks, such as Santa Clara Community Park, Mattie Reynolds Park and Striker Field, that are currently planned to be developed and are being built with many more amenities then how the parks plan originally scoped these parks in 2018 when the original levy was sized.
- An additional 1.0 FTE to maintain the current and future trails such as Suzanne Arlie Park and natural areas to current standards under increased use and scale, and to address wildfire abatement in natural areas.
- An additional 2.0 FTE to manage the additional programming of services at the renovated community centers.
- An additional 1.0 FTE for Facilities maintenance, to maintain the renovated community centers and pool that are experiencing an increase in use.

- An additional 1.0 FTE for increasing the Park Ambassador team to address illicit activity and increased use of parks by community and funding for a park host at the new Downtown Riverfront Park to address ongoing safety concerns.

- Additional funding for security focused contracts for night-time park patrols and reminders of park rules.

This option would support $5.230M per year in services and cost the average homeowner $83 per year, at a tax rate of $0.32/$1,000.

Enhanced Safety Option

The Enhanced Safety Option outlines a service level which provides additional funding to address park safety issues, beyond that of the 2024 Service Requirements option. This option includes:

- An additional 2.0 FTE for Park Resource Officers to address the increased illicit activity in parks and open spaces.
- An additional 2.0 FTE for increasing the Park Ambassador team to 4.0 FTE to address illicit activity and increased use of parks by the community.
- Additional funding for security focused contracts for night-time park patrols and reminders of park rules.

This option would support $6.0M per year in services and cost the average homeowner $95 per year, at a tax rate of $0.37/$1,000.

Potential Funding Sources and Considerations

Leading up to the 2018 Parks and Recreation Levy, a City Council subcommittee investigated multiple revenue sources and evaluated each on multiple factors. While the subcommittee made no official recommendations, there was a consensus that a permanent funding solution was favored over temporary solutions; however, permanent funding sources were not as viable as temporary sources, and the Levy was enacted.

Over the past year, City staff have updated the work of the subcommittee, reviewing possible revenue sources.

The following table is a generalized summary of the pros and cons of each funding source. Please see Appendix A for a more detailed evaluation of all revenue sources evaluated.

Revenue Source	Pros	Cons
Park Fee	Sustainable, ongoing funding source	New fee for residents and uncertainty about collection method
Local Option Property Tax Levy	Common taxing method, understood by voters. Historically well-supported by voters; can generate significant income	Levy needs to be renewed by voters every 5 years creating a high degree of uncertainty for ongoing funding, voter support may be impacted by economic cycles and overall tax burden.
Marijuana Tax	Sustainable, ongoing funding source; low admin costs; impacts residents and non-residents alike	Would divert funds from the General Fund or require legislation to increase allowable local tax.
Restaurant Tax	Sustainable, ongoing funding source; impacts residents and non-residents alike	May result in some lost business for Eugene restaurants. Strong political opposition likely.
Sugary Beverage Tax	Sustainable, ongoing funding source; impacts residents and non-residents alike	Strong political opposition likely.
Admissions/Entertainment Tax	Sustainable, ongoing funding source; impacts residents and non-residents alike	May be costly and difficult to administer. University, school district, and government events would be exempt, which could significantly reduce potential revenue.
Private Foundation Endowment	Sustainable, ongoing funding source; likely well-received by the public	Opportunity cost of putting funds in an endowment for long-term growth instead of investing in current needs - lost revenues in near-term; would need a very large endowment to meet funding needs. Interest earnings are often restricted revenues.
Sale of underutilized park property	Could reduce future need to increase existing or impose new taxes	Limited property inventory; not sustainable or on-going; likely not enough revenue to be sole funding source

Parks and Recreation Advisory Board Guidance

City staff presented the initial update on the funding challenges, service issues, and potential funding sources to the Parks and Recreation Advisory Board in August 2021. The advisory board provided overall guidance to City staff, and is summarized below:

- Long term plan: There was agreement amongst all board members that a long-term plan is needed for the ongoing maintenance and operations of the City's parks and recreation facilities. Funding sources that would provide generational stability to the City's park and recreation system is strongly preferred over short-term solutions.
- Nexus to services provided: Choosing a funding solution, such as a variety of the fees reviewed, that have a nexus to the park and recreation system is preferred.
- Park security: The board discussed whether the hiring of police officers should be funded through a park and recreation levy. The board felt this was outside of parks services and would be interested in City Council discussion and direction on future funding of this service.
- Administration costs: The board discussed future funding solutions should be efficient so that the cost of administering the solution can stay as low as possible. They would prefer more revenue to be directed to park and recreation work.

Recommended Revenue Options

City staff narrowed down the potential revenue sources to those that best met the guidance provided the Parks and Recreation Advisory Board. A follow-up presentation to the board will be in held on October 13, 2022 and will focus on two revenue options, a levy renewal and a park fee. The park levy renewal is the staff short-term recommendation to address continuity in funding that is desired for these services, with the long-term solution of a park fee to be considered when the technical complexities of this approach can be addressed with more optimal timing through partnership with EWEB.

Levy renewal: While renewing the current levy does not meet the board's request for a long-term funding source for parks and recreation services, it does meet the other priorities of having a strong nexus to the services offered and low administrative costs. Administering a levy is very cost effective, as the collection rate is 95.5%, is collected through Lane County's Assessment and Tax office, and remitted to the City with other property taxes. The process to renew the current levy would require the City Council to place it on the May 2023 ballot to prevent a gap in funding.

Parks Fee: Staff researched different ways to charge a parks fee. There are three basic different approaches for administering a parks fee:

1. Bill Through EWEB: Utilize the EWEB billing system in conjunction with the City stormwater charges on the EWEB bill. This approach has an expected 99% collection rate and would likely require 2.0 additional FTE to administer the fee. This method is the most cost effective and efficient given the charge would use existing processes and billing structures already in place. The additional fee could make it harder for some households to pay their EWEB/City bill in entirety, and the consequence for unpaid bills is an electrical shut-off. If the park fee is not tied to an electrical shut-off, reducing this burden on residents, then the collection rate is likely to decrease to approximately 85% (which would increase the overall fee for all households).

   Currently, EWEB is working on implementing a new Customer Information System, which would increase the complexity of instituting a new fee through their systems

and contracts. The timing of creating an additional fee through EWEB's system would be more optimal after their customer information system is in place.

2. Administering the fee in-house: City staff could contract with MuniRevs, the system currently used to bill the Payroll tax. This approach would yield an estimated 85% collection rate and is likely to require double the administrative FTE necessary to manage this approach compared to the EWEB bill option, as considerable customer service, administration, and non-electronic payment processing would be handled by City of Eugene staff.

3. Contract with a Third Party: The City could contract with a third-party administrator to manage the account administration and billings. This approach would have the same basic assumptions as the MuniRevs option above with an estimated 85% collection rate and approximately 4.0 FTE to administer. Analysis of third-party service structure and experience implementing the CSI Payroll tax indicated that additional FTE would be needed for this option compared to the EWEB option to assist with customer inquiries and communications, and manage vendor billing and accounts, particularly during the first 18 months of implementation.

Annual Park Survey

In the summer of 2022, the Annual Parks Survey went out to area residents in order to understand how they view their parks and the improvements made possible through the 2018 Levy. Of the 1271 respondents, parks are very important to survey respondents' quality of life, with 89% of survey respondents expressing that parks are extremely (62%) or very (27%) important. For Spanish language respondents, the distribution was nearly identical, with 91% indicating that parks are extremely or very important to their quality of life.

Funding parks is extremely or very important to nearly all (82%) respondents, and changes made possible by 2018 Levy funds are completely or mostly worth the additional expense to most (70%) respondents.

What happens if a replacement revenue is not approved?

The current Parks and Recreation Levy will lapse in June 2023. If a revenue source is not identified to continue the current service level, City Council will be asked for direction on how to address the funding shortfall. Current options would be to discontinue services or re-prioritize City services, as there is not financial capacity to add these ongoing costs within existing revenues. Additionally, challenges related to increased park usage, illicit activity, new parks, safety concerns, the maintenance needs of new bond funded parks and recreation centers and pools, and the additional recreation programming and activation may not be able to be addressed in the short term.

Park and Recreation Security and Maintenance Funding Alternatives
Evaluation Matrix

Attachment A

Revenue Options	Amount or Rate	Revenue Raising Capability ($ millions or H/M/L)	Action Needed to Implement	Revenue Administrative Effort to Implement and Manage	Revenue Stability and Reliability	TBL: Healthy Business Climate	TBL: Burden on Low Income Community Members	TBL: Impact on Environment	Impact on Other Council Goals	Nexus with Services Funded	Nexus Explanations
Parks and Rec Service Fee	**$3/month**	**$2.5 (gross)**	Council	?	▣	☐	✕	—	—	☐	All households would pay and all would benefit from having more robust parks & recreation services
Local Option Property Tax Levy	**$3/month**	**$2.3 (net)**	Voter Approval	▣	▣	☐	✕	—	—	☐	Current method used for paying for the bulk of parks & recreation services
Marijuana Tax	**Increase**	**L-M**	Voter Approval	▣	☐	✕	☐	—	—	☐	Council directed spending for three specific purposes, including park maintenance & security
Restaurant Tax	**1%**	**$3.1 (gross)**	Council	☐	☐	✕	☐	—	☐	☐	Indirect nexus: tourists will pay a portion of the tax
Sugary Beverage Tax	**1 cent/ounce**	**$4.7 (gross)**	Council	☐	☐	✕	☐	☐	☐	☐	Could work together with park and recreation activities to create opportunities to improve health
Transient Room Tax Increase	**1%**	**$0.2 (net)**	Council	▣	☐	✕	☐	—	☐	☐	Indirect nexus: tourists will pay a portion of the tax
Admissions/Amusement/Entertainment Tax	?	?	Council	☐	☐	✕	☐	—	✕	☐	Could apply to activities that occur in parks and recreation facilities, such as park rentals, leagues, etc.
Private Foundation Endowment	?	**L-M**	Foundation	▣	☐	▣	▣	—	▣	▣	People who support parks make a choice to donate to their cost
Sale of Golf Course & Surrounding Property (Back 9)	?	H	Council	▣	✕	▣	▣	✕	☐	▣	Revenue from sale of park property can provide seed money for endowment to maintain parkland

▣ = Meets All Criteria/Favorable/Yes
☐ = Meets Some Criteria/Neutral/Maybe
✕ = Does Not Meet Criteria/Unfavorable/No

— = Not applicable
? = Not known
H = $1 million or greater; M= $100,000 to $1 million; L = less than $100,000
Gross = no cost of administration taken into consideration; Net = net of administration costs

Park and Recreation Security and Maintenance Funding Alternatives
Evaluation Matrix

Attachment A

Revenue Options	Amount or Rate	Revenue Raising Capability ($ millions or H/M/L)	Action Needed to Implement	Administrative Effort to Implement and Manage	Revenue Stability and Reliability	TBL: Healthy Business Climate	TBL: Burden on Low Income Community Members	TBL: Impact on Environment	Impact on Other Council Goals	Nexus with Services Funded	Nexus Explanations
Bicycle Registration Fee	$ amt per sale	L	Council	☐	☐	☐	✕	☐	✕	☐	46 miles of off-street bike path, most of which are in parks
Business Gross Receipts Tax	0.1% tax on gross receipts	H	Council	✕	☐	✕	✕	—	✕	✕	No nexus
Business License Fee	varies	L (net)	Council	☐	☐	✕	—	—	✕	✕	No nexus
Commuter Tax	varies	M-H (gross)	Council	✕	☐	✕	☐	▣	✕	✕	No nexus
Corporate Income Tax	1% income tax	$2.7+ (gross)	Council	☐	☐	✕	☐	—	✕	✕	No nexus
E-Cigarette Tax	?	L	Council	☐	☐	✕	☐	—	—	✕	No nexus
Heavy Vehicle Tax	?	?	Council	✕	☐	✕	—	☐	☐	✕	No nexus; must be used for street right-of-ways
Luxury Tax	?	?	Council	✕	✕	☐	▣	☐	—	✕	No nexus
Motor Vehicle Rental Tax	varies	H	Council	☐	☐	✕	—	—	—	✕	No nexus
Paper Bag Fee	$0.05-$0.20/bag	L	Council	☐	☐	—	☐	▣	—	✕	No nexus
Parking Tax	varies	M	Council	☐	☐	☐	☐	—	—	✕	No nexus
Payroll Tax	varies	H	Council	☐	☐	✕	☐	—	☐	✕	No nexus
Personal Income Tax	varies	H	Council	☐	☐	☐	✕	—	—	✕	No nexus
Red Light Cameras	?	L	Council	☐	☐	—	—	—	▣	✕	No nexus
Sales Tax	varies	H	Council	✕	☐	✕	✕	—	☐	✕	No nexus
Solid Waste Collection Fee	varies	L	Council	▣	▣	☐	✕	☐	—	☐	Pay for cleanup of solid waste in parks
Utility Consumption Tax	1% surcharge	H	Council	✕	☐	✕	✕	▣	—	✕	No nexus
User Fees and Service Charges for Parks & Recreation	varies	L	City Manager	▣	☐	☐	✕	—	✕	▣	Users pay for the cost of the services

▣ = Meets All Criteria/Favorable/Yes
☐ = Meets Some Criteria/Neutral/Maybe
✕ = Does Not Meet Criteria/Unfavorable/No

— = Not applicable
? = Not known
H = $1 million or greater; M= $100,000 to $1 million; L = less than $100,000
Gross = no cost of administration taken into consideration; Net = net of administration costs

EUGENE CITY COUNCIL
AGENDA ITEM SUMMARY

Work Session: Strategic Planning Update

Meeting Date: January 9, 2023
Department: Central Services
www.eugene-or.gov

Agenda Item Number: 2
Staff Contact: Sarah Medary
Contact Telephone Number: 541-682-5010

ISSUE STATEMENT

The City of Eugene is in the process of developing a Strategic Plan informed by the results of the 2022 Community Survey, the City's current financial and workforce conditions, and council's overarching policy priorities. Mayor Vinis, City Council, Executive Leadership, and staff representatives from across the City organization met for a 2-day facilitated workshop on September 23 and 24 to build the foundation for the draft plan. Staff will provide Council with an update regarding the development of the strategic plan and will seek council's feedback on the progress to date.

BACKGROUND

The Eugene City Council's current Vision, Values, Goals and Outcomes, last updated June 28, 2021, guides the work of the City organization (see Attachment A). The development of an organization-wide strategic plan will further clarify and assist the City organization in aligning and focusing its work with these priorities and the community's needs.

2022 Community Survey

During the summer of 2022, the City conducted the first comprehensive Community Survey since 2012. The Community Survey was administered in two different ways: (1) a random, representative sample of community members who received the survey in the mail and (2) an online version that any community member could take. A total of 958 community members participated in the representative survey, and an additional 815 community members completed the online version of the survey. The 2022 Community Survey results were presented to council in a work session on September 21, 2022. These results provide an insight to the community's current experience and values, will help to serve as a benchmark in assessing the Eugene community's sentiment and experience over time, and inform the development of the organization's strategic plan.

Current Financial and Workforce Condition

The City Council received an update on the City's current financial condition and an update regarding the City of Eugene workforce during a work session on September 14. While staff had previously projected a General Fund gap of around $10 million beginning in FY24, economic conditions continue to shift, and revenues will be further out of alignment with expenses than

previously expected. Importantly, the projected gap does not include critical services the City has been providing with one-time dollars from the American Rescue Plan Act and reserves. The General Fund gap along with a very competitive job market, record number of non-represented employee exits, and growing workloads present significant challenges in building a healthy and resilient workforce to carry out services at a time when community demands are increasing.

Strategic Planning Workshop

The Strategic Planning Workshop on September 23-24, 2022 included Mayor Vinis and the eight City Councilors, the members of the City Executive Leadership team, and 28 staff from across the organization. Facilitated by Bailey Strategic Innovation Group, the workshop helped to ground participants in the steps of creating a strategic plan. This included a results-orientated statement exercise to guide the plan; the identification, development and definition of key focus areas; the initial development of results-oriented goals; and actions that could contribute to the achievement of the goals during the plan period.

City of Eugene Results Oriented Statement

The following results-oriented statement was developed collaboratively during the workshop to guide the development of the plan:

> "The community is at an inflection point, facing urgent needs amidst unprecedented uncertainty and challenge. We need to approach those needs in a new way. This team is passionate, capable, caring and innovative. As public servants, we are responsible for delivering better results. We have the opportunity to meet our unique needs to build a safe community where everyone belongs.
>
> We can achieve this by tapping the collective wisdom and talent of our community to ensure clear direction, allocation of resources, and better outcomes. People will want to stay and continue the journey."

Key Focus Areas

Through a process of collaboration and iteration, the City of Eugene identified five key focus areas for the strategic plan: (1) Urgent Community Needs; (2) Communication & Outreach; (3) Culture of Belonging; (4) How We Do Our Work; (5) People, Time, and Money.

These key focus areas were defined as follows:

> *Urgent Community Needs*
> Prioritize crises that are, or may degenerate into problems impacting health, safety & welfare.
>
> *Communication & Outreach*
> A city that informs, listens and understands what the community wants & needs. A community that understands, participates and has confidence in what their city is doing.
>
> *Culture of Belonging*
> We are cultivating a community where everyone feels included, respected, and valued as they are. A community united in uplifting the diversity of identities and experiences to provide

equitable access to resources and opportunity.

How We Do Our Work
The city organization is most effective when there are clearly defined priorities and outcomes, flexibility for staff talent and room for innovation where we can measure progress and shift when needed.

People, Time and Money
Establish a sustainable foundation for council support and to ensure employee retention and development to create capacity to accomplish strategic goals.

Next Steps
Staff will be seeking council's feedback on these key focus areas before further refining associated draft goals and metrics, and subsequently engaging staff organization-wide in the development of the action plan.

PREVIOUS COUNCIL DIRECTION
February 14, 2022, Work Session
City Council received an update regarding a Priority Based Budget process including discussion regarding the forthcoming strategic planning process.

March 9, 2022, Budget Committee
The Budget Committee, which includes the members of Eugene City Council, received an update regarding a Priority Based Budgeting process which included discussion of strategic planning.

June 15, 2022, Work Session
City Council received a presentation on the methodology and general subject areas for the 2022 Community Survey.

September 14, 2022, Work Session
City Council received an update on the City's financial condition as well as an update on the City of Eugene workforce in advance of the strategic planning workshop.

September 21, 2022, Work Session
City Council received a presentation regarding the results of the Community Survey, which informs the City's strategic planning.

September 23 & September 24, 2022, Workshop
City Council, executive team, and staff participated in a 2-day facilitated workshop to develop the framework and draft plan informed by the council's priorities, the community survey results, and the current financial and workforce conditions.

COUNCIL OPTIONS
Informational only.

ATTACHMENTS

A. Eugene City Council Vision, Values, Goals and Outcomes, June 2021

FOR MORE INFORMATION

Staff Contact: Sarah Medary
Telephone: 541-682-5010
Staff E-Mail: smedary@eugene-or.gov

Eugene City Council Vision, Values, Goals and Outcomes

Adopted June 28, 2021

VISION AND VALUES

We are all Eugene.

We value all people, encouraging respect and appreciation for diversity, equity, justice, accessibility, and well-being. We recognize and appreciate our differences and embrace our common humanity as a source of our strength.

We are responsible stewards of our physical assets and natural resources. We will sustain our clean air and water, beautiful parks and open spaces, livable and safe neighborhoods, and foster a thriving downtown, including stable and accessible infrastructure.

We encourage a strong, safe, sustainable, and vibrant economy, fully utilizing our educational and cultural assets.

We listen to, serve, and include all who live, work, and play here; seeking ways to foster unity and stronger connections across Eugene.

We respond and take actions so that every person has an opportunity to thrive in Eugene.

GOALS AND OUTCOMES

Safe Community for Community Wellbeing

A community where all people are safe, valued, and welcome, and our systems and infrastructure are resilient and secure.

- Increased response to, and decreased incidents of, hate and bias crimes
- Improved resilience for natural and human caused disasters
- Increase security of information technology systems
- Improve safety of transportation system and implement Vision Zero

EXISTING OUTCOMES TO BE UPDATED

- *Decreased property crime*
- *Greater sense of safety (especially downtown)*
- *Visible and accessible police presence*
- *Better police/community relations*

Sustainable and Accountable Development

A community that meets its present environmental, economic, and social needs while planning for and investing in the ability of future generations to meet their own needs.

- Encourage and sustain downtown, transit corridors, and riverfront growth
- Work to create jobs and prosperity and decrease unemployment
- Support resilient small and local business environment
- Refresh and sustain our Triple Bottom Line Lens - decision-making that weighs benefits to and impacts on social equity, economy, and the environment
- Increase access and options to housing and shelter
- Enhance our natural landscape and green infrastructure systems

Accessible and Thriving Culture, Parks and Recreation

A community where arts and outdoors are integral to our social and economic well-being and are welcoming to all.

- Accessible, inclusive, and equitable to our diverse communities
- Preserve strength in arts, culture, and the outdoors
- Invest in arts and culture as an economic engine

Equitable, Effective, Accountable Municipal Government

A responsive government that is transparent and open; we listen and work collaboratively and fairly with the community, providing accessible, equitable, effective, and efficient services to achieve measurable and positive outcomes.

- Transparent and interactive communication
- Public engagement that involves the community broadly
- Stronger public, private and intergovernmental relationships
- Inclusive and equitable systems and services

Fair, Stable and Adequate Financial Resources

An innovative government whose ongoing financial resources are based on a fair and equitable system of revenues and are adequate to maintain and deliver municipal services.

- A long-term sustainable budget
- New or expanded revenue sources
- Accessible and transparent financial information