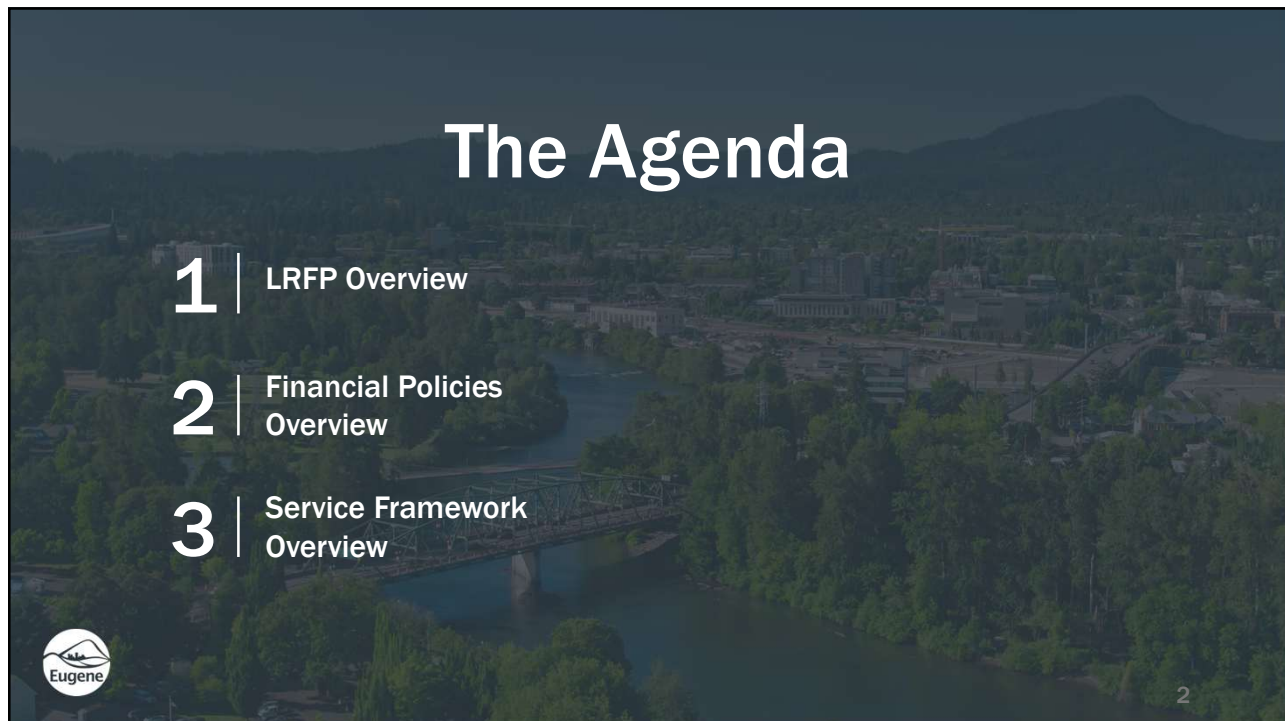




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Today's Objectives

- An overview and understanding of current financial policies and service framework considerations.
- Identify additional information needed to make future recommendations.

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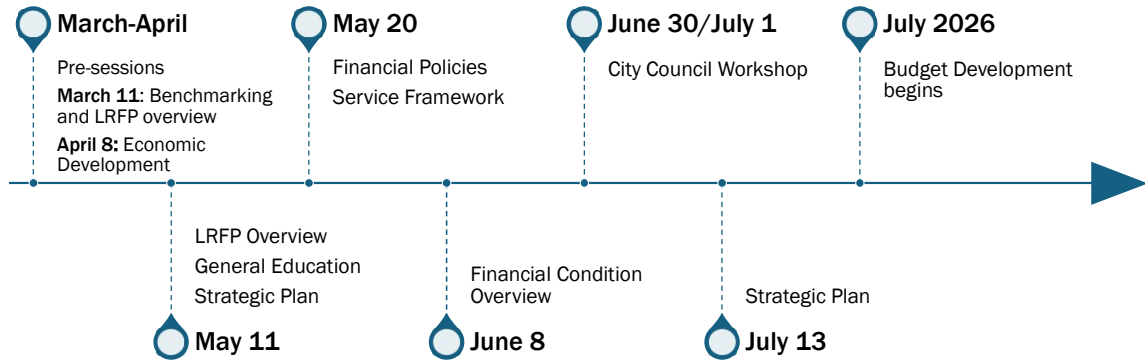
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LRFP City Council Timeline



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LRFP Process Phases

City Council Process

Common understanding
Service Prioritization Framework
Review Financial Policies
Strategic Plan alignment

City Council

Adopt revised financial policies
Adopt Supplemental Budget

Budget Committee

Review draft financial policies
Update by-laws
Information updates

City Council

Adopt CIP

Budget Committee

CIP presentation
Dept capacity update
High-level unfunded needs update

City Council

Adopt Budget

Budget Committee

Review Proposed Budget

May – July 2026

September – December 2026

January – March 2027

April – June 2027

PHASE 1

PHASE 2

PHASE 3

REGULAR CYCLE

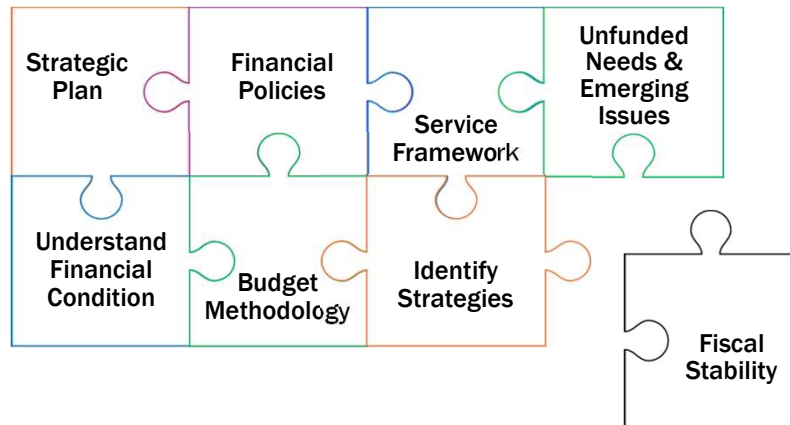


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Long Range Financial Planning (LRFP)

A process to focus the organization on long term objectives to encourage strategic thinking and link financial considerations to operational decisions.



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Financial Policies Overview



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WHAT IT IS

A framework to ensure sound fiscal management.

WHY IT MATTERS

Serves as the foundational pillars for decision-making and financial management. The framework creates continuity, sets clear boundaries for staff actions and strengthens long-term strategic planning and risk management.

COUNCIL ROLE

Provides high-level policy direction and adopts policy framework.

HOW IT GUIDES ORG DECISIONS

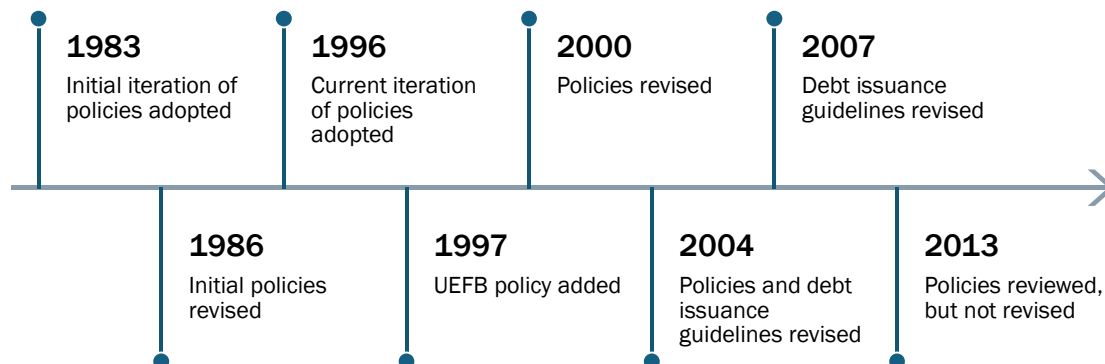
Provides structure for a wide range of financial and budgetary topics which are incorporated into the financial activities and processes of the organization.



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History of Financial Policies



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Financial Policies Categories

A	Resource Planning and Allocation
B	Accounting and Financial Practices
C	Revenue and Collection
D	Capital Improvements
E	Debt and Investment Management
F	Organizational
G	Other



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Potential Fall Updates

A.4	Service Priorities
B.11	Marginal Beginning Working Capital
E	Debt Issuance Guidelines
	Other Current Policies
	General Administrative Updates
	New Policies – Best Practices



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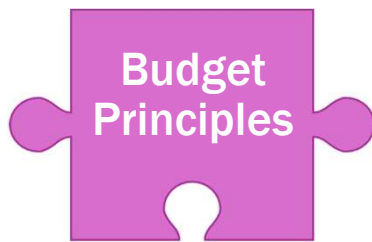
Policy A.4 Service Priorities

- | | |
|----------------|--|
| Level 1 | Preserve the public safety system, which includes the police, fire and emergency services, Municipal Court, and the Intergovernmental Human Services program. |
| Level 2 | Maintain and replace the City's fixed assets, which include equipment, infrastructure, and facilities so as to optimize their life. |
| Level 3 | Maintain and enhance efficiency of the administrative support and community planning systems in order to provide efficient and effective business management service and orderly community growth. |
| Level 4 | Provide affordable housing, specialized services for the less advantaged population, land use permits, and cultural, educational and recreational services. |
| Level 5 | Address the balance of municipal services when required for the preservation of health, safety or quality of life in the community, or community demand for incremental services. |



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Agreed upon principles to guide budget development and decision making.

Examples

- Use one-time funding for limited duration services
- Retain City reserves at X%
- Refrain from adding net new services unless there is an identified revenue source
- Preserve the health and safety of City employees
- Communicate impacts and be transparent about reductions



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WHAT IT IS

Defines which public services should receive attention, funding, and resources first, based on strategic goals, public need, and available capacity.

WHY IT MATTERS

Directly shapes how limited resources are directed to outcomes.

COUNCIL ROLE

Provides high level policy direction.

HOW IT GUIDES ORG DECISIONS

Informs resource allocation and budget development for the organization.



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Service Framework Overview



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City of Eugene

Long Range Financial Planning Service Evaluation Frameworks

May 20, 2026

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Service Evaluation Framework



What it is...

- Structured set of criteria to evaluate services
- Consistent
- Transparent



What it isn't...

- A mandate to cut services
- A prescribed approach to budgeting

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Why Service Evaluation Matters

Creating a common language for staff, Council, and the public

The process becomes transparent, defensible, and replicable

Protects against arbitrary decisions (cuts or service protection)

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Service Evaluation Frameworks Across Budget Approaches

A services evaluation framework helps answer the question – “***What is the City obligated to do, and at what level?***”



This information supports effective budgeting **regardless of methodology** (incremental, zero-based, priority-based, etc.)

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Service Evaluation Lenses

Legal/Authority-Based

- Programs and services are defined by the City's **mandate** to provide them
 - *Ex: Required by law, required by agreement, expected by community, fully discretionary*
- Also considers the **level of service** required to be performed

Appeal: Grounded in objective criteria

Outcome/Priority-Based

- Programs and services are evaluated by how well they advance goals residents and Council care about
 - *Ex: Degree of alignment with strategic priorities*

Appeal: Connects budget directly to stated community values

Most communities blend elements of both approaches.

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Comparing Frameworks

As we look at examples from other communities, consider these three dimensions:

How complex is the framework?

- Some use three simple tiers
- Others use four or more categories with scoring criteria
- More categories create more precision but also more administrative work

What drives the evaluation?

- Some frameworks lean on legal and authority questions
- Others weight community outcomes and council priorities
- Most do both, but the emphasis shapes how staff and council use the tool

What language does it use?

- The words matter more than they might seem
- Terms like "Mandated," "Core," and "Discretionary" land differently with residents and staff than terms like "Essential" or "Value-Added"
- Eugene will want language that fits its culture

No single framework is right for every community. The goal is to understand the tradeoffs so Eugene can choose or adapt an approach that fits.

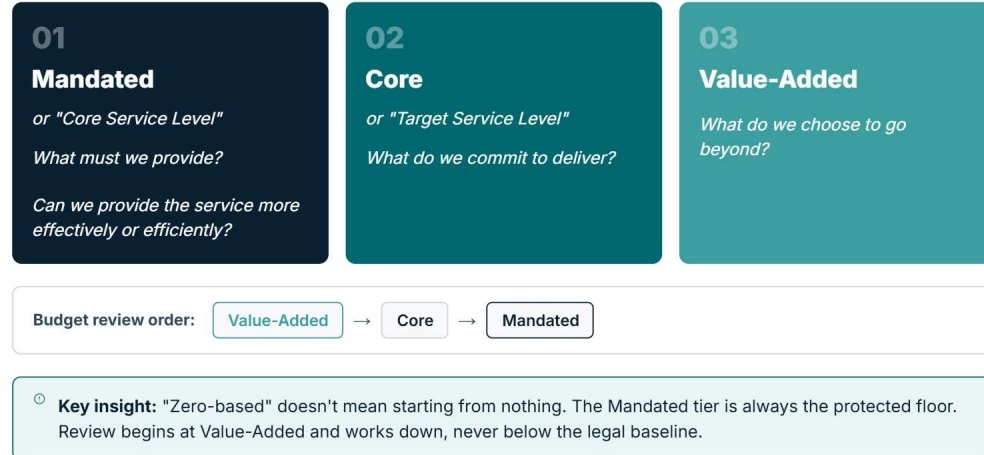
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EVANSTON, IL & WAUKESHA, WI

Service Level Frameworks

These communities developed simple, 3-tier frameworks to evaluate services and service levels.



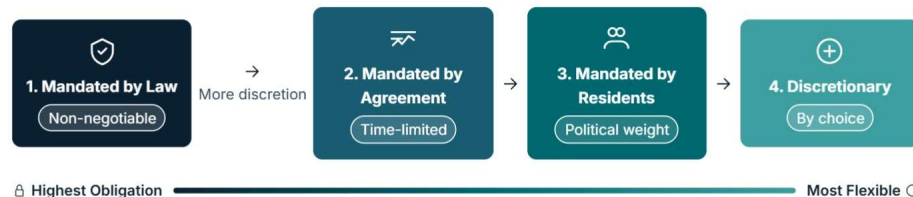
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MICHIGAN COUNTY GOVERNMENTS / MSU EXTENSION

Mandated Services Framework

Organizing municipal services by the source and nature of the obligation



Key Distinction: A mandate to *provide* a service is not the same as a mandate specifying the *level* at which it must be provided. Even mandated services may have room to scale back.

CRITICAL QUESTIONS FOR EACH PROGRAM:

☐ Is this function truly mandated?

☐ Is the service *level* mandated, or just the function?

☒ Can departments document the mandate?

☐ Who is served, and how many residents?

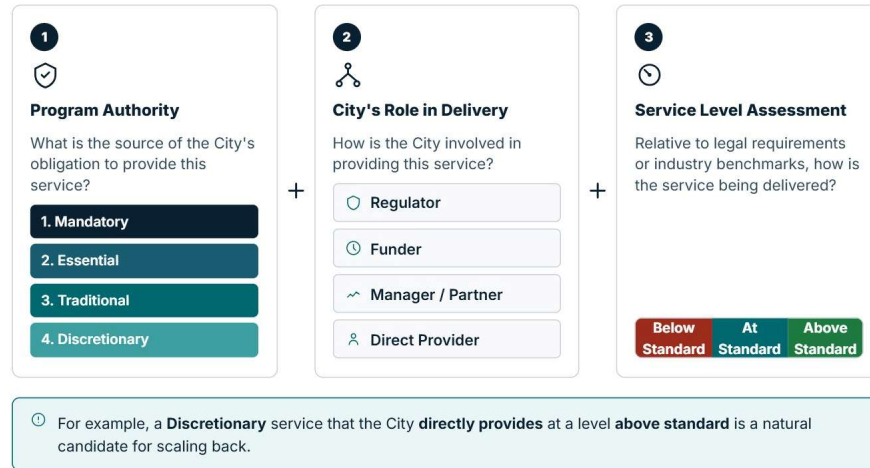
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CITY OF TORONTO, ONTARIO

Evaluating Services Through Three Lenses

The Toronto Core Services Continuum applies three sequential evaluative lenses to every city service, creating a clear, defensible basis for budget decisions.



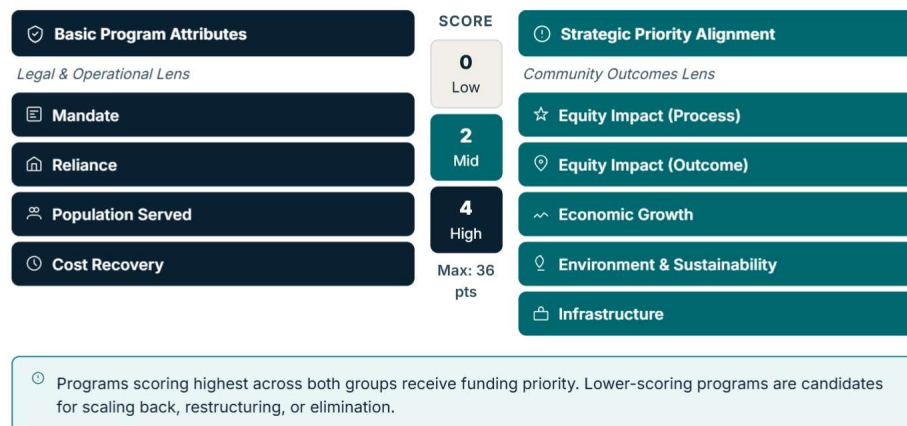
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SALT LAKE CITY, UTAH

Integrated Priority-Based Budgeting Matrix

Every program is evaluated across nine categories and scored 0, 2, or 4 points to produce a composite score for funding decisions.



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What Makes a Framework Effective?

- Tailored to the City's unique needs and culture
- Simple enough to use consistently, precise enough to mean something
- The “two person” test: could two evaluators reach the same conclusion
- It produces decisions staff can explain and residents can understand
- Repeatable for multiple budget cycles

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Reflections

Which elements of these frameworks feel right for Eugene?

What concerns do you have?

What's missing?

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Q+A

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Thank you!

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513 818 4220 / jteal@raftelis.com

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