

FY18 PROPOSED BUDGET

Mayor
Lucy Vinis

Budget Committee

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Betty Taylor (Ward 2)
Alan Zelenka (Ward 3)
Vacant (Ward 4)
Mike Clark (Ward 5)
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Jon Ruiz

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Joe Zaludek, Fire and EMS

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Denny Braud, Planning and Development

Pete Kerns, Police

Kurt Corey, Public Works

Finance Director

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Finance Staff

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Jenna Boyd

Jamie Garner

Andrea Jobanek

Twylla Miller

Jessica Mumme

Vicki Silvers

Mike Streepey

Kevin Vanderwall

How You Can Get Involved

Members of the public are encouraged to express their views on the Proposed Budget. All meetings of the Budget Committee and City Council are open to the public and most of them include a public comment period. Citizens may provide comment before the Budget Committee on Wednesday, May 3, 2017; on Wednesday, May 10, 2017; at the Budget Committee public hearing Wednesday, May 24, 2017; and at the City Council public hearing on Monday, June 26, 2017.

Copies of the Proposed Budget are available for review at the City of Eugene Finance Division, the City Manager's Office and the Downtown Public Library reference desk. Copies of the Proposed Budget document can be purchased from the Finance Division. In addition, you can download or view the proposed budget from the City's website at www.eugene-or.gov/budget.

How to Provide Comments or Testify:

1. Send a written statement to the Budget Committee or City Council, c/o City of Eugene Finance Division, 100 West 10th Avenue, Suite 400, Eugene, OR 97401,
2. Submit a written statement at the meeting or public hearing,
3. Send an e-mail to eugene.budget.committee@ci.eugene.or.us, or
4. Speak to the Budget Committee or City Council at the public comment times or public hearings.

City of Eugene Budget Meetings

City Manager's FY18 Proposed Budget Presentation

This presentation consists of both the City and Urban Renewal Agency (URA) budgets, as well as the Unfunded Needs Assessment.

Wednesday, April 26, 2017 • 5:30 p.m.

Eugene Downtown Public Library

Bascom-Tykeson Room, 100 West 10th Avenue

Budget Committee Public Comment and Deliberation on FY18 Proposed City Budget

Proposed discussion items for this meeting include the remaining Comcast revenues and an update on City preparations for the 2021 World Championships.

Wednesday, May 3, 2017 • 5:30 p.m.

Eugene Downtown Public Library

Bascom-Tykeson Room, 100 West 10th Avenue

Budget Committee Public Comment and Deliberation on FY18 Proposed URA Budget

Wednesday, May 10, 2017 • 5:30 p.m.

Eugene Downtown Public Library

Bascom-Tykeson Room, 100 West 10th Avenue

Budget Committee Public Hearing, Deliberation and Action on FY18 Proposed Budget

Wednesday, May 24, 2017 • 5:30 p.m.

Eugene Downtown Public Library

Bascom-Tykeson Room, 100 West 10th Avenue

City Council Public Hearing and Action on FY18 Budget

Monday, June 26, 2017 • 7:30 p.m.

Lane County Public Service Building

Harris Hall, 125 East 8th Avenue

Budget Committee and City Council meetings are televised on MetroTV, Channel 21; webcasts of the meetings are available on the City of Eugene website. Meeting materials are available at www.eugene-or.gov/budget.

All meetings are held in wheelchair accessible rooms. For individuals who are hearing impaired, an interpreter or an assistive listening device can be provided with one week notice prior to the meeting. Materials can be made available in alternative formats if requested in advance. To arrange for these services, or for more information, please contact Finance Division staff at 541-682-5512.

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April 26, 2017

Budget Committee, Mayor Vinis, Colleagues, and Members of the Eugene Community:

Our community has emerged from the economic downturn poised to excel. We've pulled together as a community, investing with optimism, compassion, perseverance and savvy. Business, non-profit, government, school and faith communities have found common ground through financial commitment to Eugene. While different, these various sectors have found that we share a desire to see our town succeed as we move into the future.



Significant investments in our downtown and surrounding community have built economic momentum and brought new jobs and opportunities. EUGNet, a municipally owned high-speed fiber network in downtown Eugene, launched this spring. This multi-agency partnership provides world-class gigabit internet to downtown businesses. As a result, Mozilla recently chose the City of Eugene to be their next Gigabit City. In addition to national recognition, the City will receive \$150,000 in grant funding for local initiatives that increase participation in technology innovation. The Urban Renewal Agency helped make the fiber project a reality by providing funding for the portion of the project in the Downtown and Riverfront Districts.

The goal of the Places for People project is to make downtown a better place for all. We engaged the community in re-imagining our downtown parks, squares and sidewalks as active, vital destinations. Up to \$5.2 million of Urban Renewal Agency funds are available to improve the Park Blocks and other downtown open spaces. In addition, the City recently reached a milestone agreement with EWEB to redevelop the central riverfront property. This project is a once in a lifetime opportunity to define our downtown riverfront and strengthen the identity of our community. It will be a key part of the River District's vision that follows the Willamette River, connecting downtown Eugene to downtown Springfield and providing better access to our natural resources. Urban Renewal Agency funding is also critical to accomplishing this long-held community vision.

The downtown and riverfront areas anchor two sides of a triangle, the third being the recently announced Knight Science Campus. The City's commitment to Envision Eugene and ongoing investments in partnerships and infrastructure have built the foundation for this triangle to fully realize its potential as a prime prosperity center for generations to come. This prosperity triangle will be at the center of attention as we welcome the global community for the 2021 World Championships.

This budget continues the current level of investment in neighborhoods, ongoing human services, sister cities, CAHOOTS, jail beds, Envision Eugene and many other service areas. Emergency preparedness infrastructure assessments, upgrades and training continue at appropriate levels.

In addition, the Proposed Budget:

- Adds ongoing funding for prosecution services to support the criminal justice system, parks safety and security resources and marijuana tax administration, all of which are paid from the new local marijuana tax.

- Proposes one-time funds for legal services to implement Envision Eugene and body worn cameras by police officers.
- Continues one-time funding of downtown, parks and near-neighborhood security, safety, programming and cleanliness; as well as community court and Community Outreach Response Team (C.O.R.T.), both of which are proven successful at providing alternative paths for some offenses.
- Expands ambulance capacity by putting another Basic Life Support unit on the street using existing staff and equipment. This new unit should be able to cover its costs through additional user fees.

Over the past several years the City has supported programs in stages. Many of the one-time additions to the General Fund listed above use this strategy and are a continuation of pilot programs that were included in the FY17 Supplemental Budget #1. This approach allows the City to implement strategies and evaluate effectiveness prior to obligating ongoing funding. It is also a way to further progress on important community goals without making long-term funding commitments during periods of fiscal constraint. The FY18 Proposed Budget includes a new section titled "City Focus" (Attachment E) that includes additional information on some of the key initiatives and other highlighted areas where we are continuing to move forward.

The FY18 Proposed Budget also includes service changes in non-General funds such as telecom equipment replacement, and adding a building inspector and structural engineer plan reviewer in the Construction Permits Fund. (See Attachment D)

There are many unfunded needs and challenges facing the community, but there simply is not fiscal capacity to fund everything. The items selected for funding in the FY18 Proposed Budget are shown in Attachment C for the General Fund and Attachment D for other funds. The Executive Team compiled the Unfunded Needs Assessment (UNA) in order to consider additional projects, programs and services that are important but for which funding is not available in FY18. The items in the UNA represent the project and service alternatives that were considered by the Executive Team as the FY18 Proposed Budget was prepared. (See appendix titled "Unfunded Needs Assessment")

Our challenges in the near future are to continue funding for street maintenance and downtown, revitalization while also securing new funding for parks and recreation operations, maintenance and capital projects. Implementation of the Climate Recovery Ordinance, Vision Zero, community justice initiative and emergency preparedness are also priority initiatives. Our task is to balance all of these important priorities in an environment of fiscal constraint.

In order to accomplish our dreams and visions we have to be smart, innovative and fiscally responsible. Since 2010, we have successfully filled a General Fund budget gap by reducing ongoing General Fund expenditures by \$30 million or 24%, while still advancing important community projects. During this time, we fixed a structural budget imbalance and improved services, such as expanding library services, making progress on the backlog of pavement preservation projects, improving the Eugene Airport, developing and implementing the climate and energy action plan, and targeting investments in human services.

Last year we took a breath from the difficult years of budget cuts, although the forecast at that time foreshadowed an ongoing future budget gap of \$1 to \$2 million. After updating the General Fund forecast this spring, the budget gap has grown to \$3 million through FY21, increasing to \$6 million beginning in FY22 (see Attachment A).

Our budget philosophy is to maintain community services, respect employees and live within our means. We have developed a strategy to bridge budget shortfalls, position ourselves with adequate reserve levels, and continue forward with important community work.

We propose to begin FY18 by cutting \$1 million in ongoing expenses in three ways:

- Not adjusting General Fund material and services budgets by the cost of inflation in FY18, which realizes an ongoing savings of \$800,000.
- Reduce proposed increases in Facilities rates which achieves savings in the General Fund of \$90,000.
- Keep risk rates steady, which results in an ongoing savings of \$110,000 to the General Fund.

This approach is reasonable but it does have impacts. Material and services budgets are already constrained because of past years' reductions. The continuing focus on downtown and emergency preparedness place increasing demands on the Facilities Division. Reducing Facilities rates will put pressure on the Division's ability to address those demands.

The budget balancing strategy also anticipates additional ongoing budget reductions of \$1 million in FY19 and again in FY20. As staff monitors all of the unknown and ever-changing factors that impact the financial health of the City, these recommendations will serve as placeholders for future actions that may be needed. Maintaining a sufficient fiscal cushion in the Reserve for Revenue Shortfall (RRSF) has enabled us to take this three year approach. We have time to see how events unfold over the next several years before taking action. In this way, we do not over-correct by reducing more than needed in anticipation of future events.

The Reserve for Revenue Shortfall (RRSF) is our savings account that helps weather uncertainties in our financial situation. Our target is to maintain a balance of 8% in this reserve, with a minimum level of 5%.

In the fall of 2016, the City received a one-time payment of \$18.75 million from Comcast due to a legal settlement. The majority (\$16.5 million) was placed in the Reserve for Revenue Shortfall (RRSF) as part of Council's action on Supplemental Budget #1 last December. Council asked that the Budget Committee be involved in making a recommendation about use of this one-time windfall. In the FY18 Proposed Budget, the entire \$16.5 million remains in the RRSF pending Budget Committee discussion.

As the Budget Committee deliberates on the use of these one-time funds, I suggest that \$9.5 million remains in the RRSF to maintain a minimum level of 5% over the forecast period, and that the Budget Committee consider transferring the remaining \$7 million to a reserve in the capital funds for the City Hall project. This aligns with the financial policy of using one-time funds for one-time expenses, maintains an adequate reserve to allow for thoughtful budgeting over the next several years, and supports Council's direction to fund a City Hall project, but reduces the amount of the project that would need to be financed by a loan or other similar financial instrument. It would also reserve these funds until Council makes final decisions on a City Hall project. The

Budget Committee is scheduled to discuss the remaining Comcast dollars at their May 3rd meeting.

Our fiscal discipline has served us well throughout the past decade. We have creatively approached challenges, continued to provide quality services and positioned ourselves to be a community of the future. This has demonstrated to rating agencies that the City is proactive and well managed, as we have maintained our high "Aa1" bond rating through the economic downturn. Only a small percentage of communities attain this high level of confidence. I believe we must continue the sound practices of using one-time monies for one-time expenses, maintaining our reserves, and being willing to change our course when necessary to maintain the financial health of the City.

Change is inevitable and at times can be both exciting and uncomfortable. Throughout the turbulence of the past decade, the elected officials, Budget Committee and City staff have consistently found creative ways to maintain services and invest in the community in fiscally responsible ways. We are resilient, and together we can continue to provide excellent service and achieve the public's and Council's vision. I am excited about our future possibilities and look forward to working together in service to all of Eugene.

Sincerely,

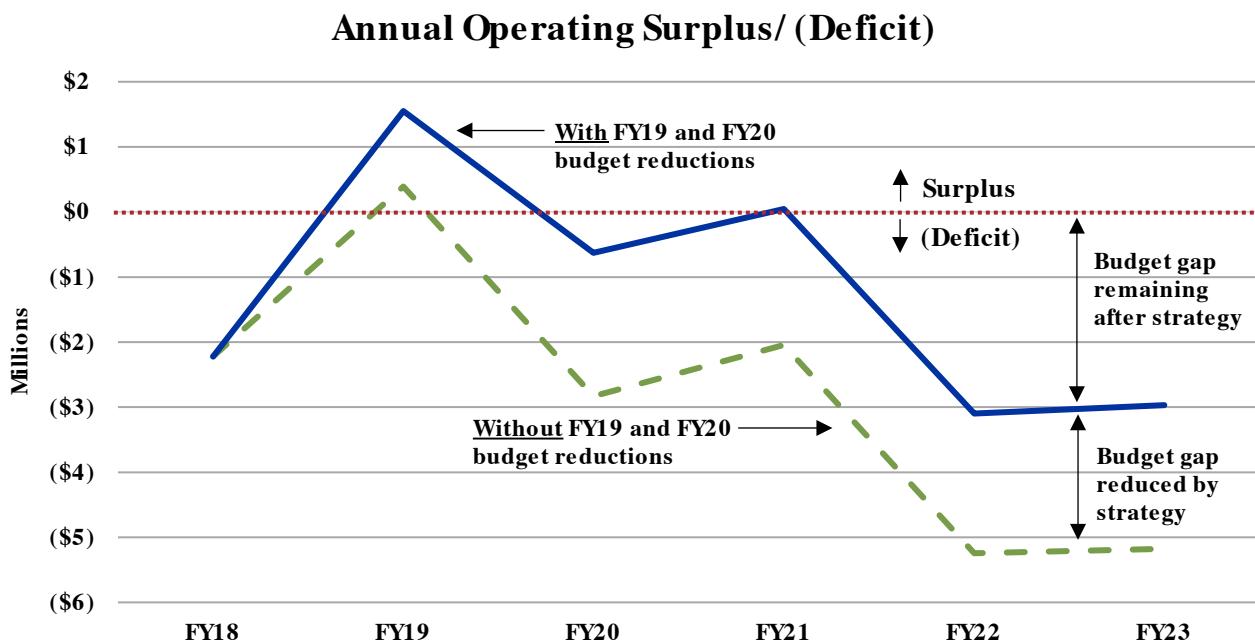


Jon R. Ruiz
City Manager

General Fund (Main Subfund) Six-Year Financial Forecast FY18 to FY23

The General Fund Forecast is a tool that projects how much the City will spend and receive over the next six years and assists policymakers with developing strategies to meet future challenges. Many factors affect the forecast and while assumptions are made using the most current information available, the one constant is that things will change. Last spring when the City Manager presented his proposed budget, the forecast showed a future ongoing budget gap in the range of \$1 to \$2 million dollars. Since that time, staff have updated the many forecast variables that impact the General Fund with experience from the first eight months of the fiscal year. While some forecast drivers have increased and others have decreased, there remains an ongoing budget gap of about \$3 million through FY20, which increases to \$6 million by the end of the forecast period if no action is taken.

Property taxes are lower over the forecast period as certified taxable assessed value only grew 2.9% this fiscal year. This is primarily due to a significantly high number of corrections to the tax roll after the taxes were certified in the previous year. Property tax decreases were offset for the most part by increases to other revenue drivers including higher State Shared Revenues, ongoing Comcast revenues related to the court settlement last fall and recognition of the new Ground Emergency Medical Transport (GEMT) revenue. Estimates for revenues from both the State Shared and Local Marijuana Tax are forecast conservatively as we have not yet received any revenue and need more experience with actual collections to more accurately determine future revenue levels. Expenditures increased primarily due to slightly higher PERS rates than previously forecast and the addition of several ongoing services by the Budget Committee last spring and in this Proposed Budget. All of these factors will be monitored closely to determine the long-term trends impacting the financial health of the City. In response to these changes, the City has put strategies in place in the short term to preserve our financial flexibility without overcorrecting now for actions that may or may not be needed in the future. These strategies include \$1 million of ongoing reductions in FY18, with \$1 million of ongoing reductions added in FY19 and in FY20.



The General Fund Forecast incorporates the FY18 Proposed Budget changes that include ongoing funding for revenue-backed items and proposals funded from the Local Marijuana Tax. One-time funds are provided to move important initiatives forward. See General Fund Changes, Attachment B, for details about what is included in the FY18 Proposed Budget. The FY18 Proposed Budget also includes a placeholder for \$7 million in additional one-time expenditures, pending discussion and recommendation from the Budget Committee about the use of Comcast settlement revenues.

After incorporating these service adjustments and the updated assumptions, the forecast shows that the service system is more stable in the near term with revenues greater than expenditures in most years until FY22. This relies on additional ongoing budget reductions of \$1 million in FY19 and again in FY20. The last two years of the forecast are in a deficit position with expenditures greater than revenues primarily due to another PERS rate increase beginning in FY22. The out year deficit could translate into a \$3 million annual budget gap if projections continue as currently forecast.

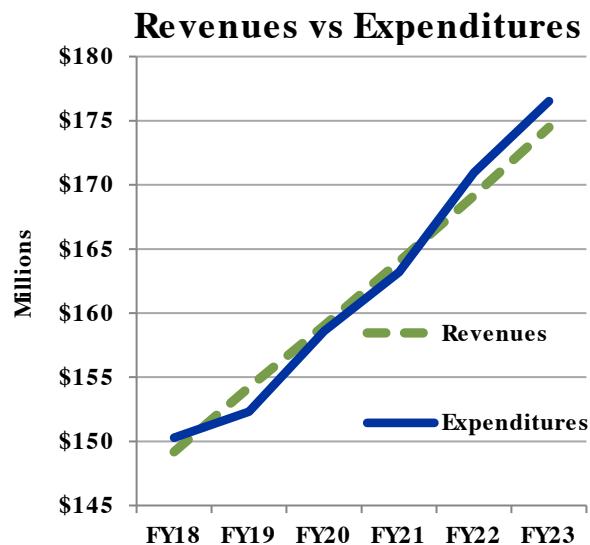
FY18 Projected Operating Results and Change in Reserve for Revenue Shortfall

The FY18 Proposed Budget shows an operating deficit of \$1.1 million, which is the difference between revenues expected to be received and expenditures expected to be made during the year. The Proposed Budget includes \$1.7 million of one-time expenditures for important community priorities. Without these one-time expenditures, there would have been a \$0.6 million operating surplus.

The Reserve for Revenue Shortfall (RRSF) of \$21.0 million in the FY18 Proposed Budget is \$2.1 million less than the FY17 ending RRSF balance of \$23.1 million. This reduction is primarily due to two factors: (i) to cover the FY18 operating deficit; and (ii) to shift dollars to the Unappropriated Ending Fund Balance (UEFB) to meet the Council policy of two months of expenditures in FY18.

Reserve for Revenue Shortfall

The RRSF is in essence the savings account for the General Fund and is a key measure of the City's fiscal health. On average, the target level is approximately \$13 million per year over the forecast period. In the fall of 2016, the City received a large one-time payment of \$18.75 million from Comcast due to a legal settlement. The majority of these funds (\$16.5 million) were placed in the RRSF last December on Supplemental Budget #1 per Council direction. These funds remain in the RRSF in the FY18 Proposed Budget and will be discussed by the Budget Committee at their May 3rd meeting. The City Manager recommends that \$7 million of the Comcast funds in the RRSF be transferred into a capital reserve to provide additional funding for the new City Hall, with the remaining Comcast funds left in the RRSF to provide financial stability to the General Fund. This aligns with the City's financial policy of using one-time monies for one-time expenses.



The forecast reflects the strategy of reductions of \$1 million in FY19 and FY20 along with the FY18 Proposed Budget changes and one-time spending or allocation of \$7 million from the Comcast settlement. After incorporating these strategies, the RRSF would remain just above 5% of General Fund expenditures by the end of the forecast period. While this is lower than the target of 8%, it is still a prudent level of reserves and provides an appropriate cushion as we look to the future.

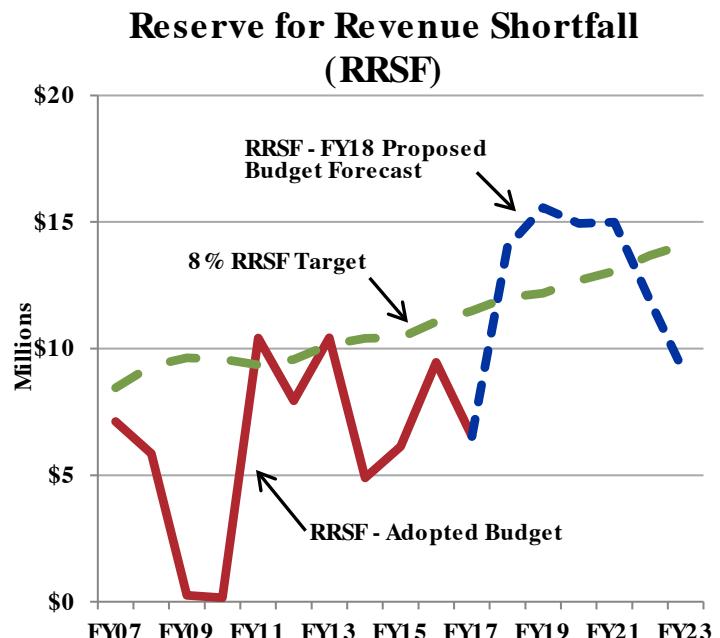
The RRSF drops from 10.2% in FY19 and decreases in subsequent years to 5.1% by the end of the forecast period after incorporating FY18 Proposed Budget changes, future strategies and anticipated changes around major forecast drivers. The drop in the RRSF target that occurs in even years of the forecast is due to anticipated increases in PERS rates.

The City maintains other reserves: the Unappropriated Ending Fund Balance (UEFB), the Property Tax Appeal Reserve and the 2021 Reserve. The UEFB is budgeted at two months of operating expenses to allow the City to pay bills and make payroll between the start of the fiscal year in July until November when property tax revenue is received. The Property Tax Appeal Reserve is set at \$500,000 to set aside funds pending the outcome of large property tax appeals. Finally, the 2021 reserve contains \$500,000 pending City Council approval of criteria and projects.

There are several areas of risk to the forecast that will be monitored moving forward:

Property Tax Revenues – Certified taxable assessed value grew at a rate of 5.0% in FY16 and then dropped to 2.9% in FY17, which was lower than anticipated. The drop in certified assessed value growth in FY17 is attributed to a spike in assessed value corrections that occurred during FY16 after property tax certification. These corrections can occur for a number of reasons such as appeals, late filed exemptions, and clerical errors. After accounting for the FY16 corrections, the taxable assessed value growth rate was actually 4.1% in FY16 and 3.7% in FY17. An analysis of current building permit activity supports a continuation of FY17's level of growth, and the FY18 Proposed Budget includes a moderate growth rate of 3.8%, remaining at the same level through the remainder of the forecast. If the assessed value growth rate were reduced to 3.5% over the forecast period, property tax revenues would be reduced by an average of \$1.3 million annually.

PERS Rates – The FY18 Proposed Budget includes significant PERS rate increases in FY18, FY20, and FY22. These rate increases are based on the actuary's calculations for overall system rate increases, and are projected at the maximum possible increase over the period. The actuary currently projects that PERS rates will level out after the FY22 increase, so the City's financial position would stabilize at that point, all else being equal. A 1% annual change in the PERS rates assumed in the FY18 Proposed Budget forecast, beginning in FY20, has an impact of \$2.8 million



over the remainder of the forecast period. More information on PERS is contained towards the end of this General Fund Forecast, Attachment A section.

Inflation – Interest rates are anticipated to increase in the short-term and could potentially impact the low inflationary factors that have been present for some time. Inflation rates in this forecast are slightly higher than predicted last year. Changes in the rate of inflation can have a large impact on the forecast. An increase of 0.5% annually over the inflation rates assumed in the FY18 Proposed Budget forecast would increase costs by an additional \$8.5 million over the forecast period.

Legislation – Legislation increasing exemptions for centrally assessed properties, which has the potential to reduce property tax revenue to the City, took effect in FY17. This includes an infrastructure property tax exemption for telecommunications businesses that offer high-speed internet. Although Comcast's application for the high-speed fiber exemption was initially approved by the Public Utilities Commission, the Department of Revenue ultimately decided that no exemption would be granted. The current legislative session includes two bills regarding this central assessment exemption, one that would add more specific qualifying criteria and another that would fully repeal the exemption.

Forecast Variables

Assessed Value – The FY18 taxable assessed value growth rate is projected to be 3.8% and remains at that level through the forecast period, which aligns with recent growth levels and current building permit activity.

Property Tax Collection Rate – The projected property tax collection rate for current year taxes is estimated at 94.5% for all years of the forecast. The actual collection rates for FY15 and FY16 were 94.7% and 94.4%, respectively. These collection rates are applied against the gross taxes levied by the Lane County Assessor and incorporate the 3% early payment discount available to taxpayers for making full payment of taxes in November.

Property Tax Revenue – Total property tax revenue, including current and delinquent taxes, is projected at \$95.3 million in FY17, which is \$1 million less than included in the FY17 Adopted Budget. Future years have been adjusted accordingly, and are projected at \$98.5 million in FY18 and \$118.2 million by FY23, after taking into account the assessed value growth and property tax collection rates explained above. Delinquent tax collections are projected at \$2 million in FY17, reducing to \$1.8 million in FY18 and remaining at that level through the forecast period.

EWEB Contributions-in-lieu-of-taxes (CILT) – Revenue from EWEB is estimated at \$13.3 million in FY18 and continues to build to \$14 million annually by the end of the forecast. These estimates incorporate the CILT methodology approved by Council in 2014, adjustments based on recent weather experience and future anticipated rate increases in the out years of the forecast.

Licenses and Permits – Right-of-way use fees from CenturyLink, NW Natural, Comcast and other providers are estimated at \$7.2 million in FY18, increasing to \$8 million annually by FY23. This includes \$1 million of new ongoing annual revenue from Comcast related to the legal settlement.

Interest Earnings – Portfolio interest earnings are projected at 1.35% in FY18, increasing in the out years of the forecast to 2.0%. This reflects an outlook of rising rates in the near future.

Local Marijuana Tax – In November 2016 voters approved a local tax of 3% on the retail sales of recreational marijuana; this is in addition to the State tax. The local marijuana tax will be administered by the Oregon Department of Revenue through an intergovernmental agreement. The initial receipt of local marijuana tax revenue is estimated to be approximately \$75,000 in FY17, increasing to \$320,000 in FY18 and remaining at that level through the forecast period. These are rough estimates that will continue to be refined as we gain experience with actual receipts.

State Shared Revenues – State shared revenue is projected to increase from \$5.1 million to \$6.5 million over the forecast period. This includes conservative revenue estimates for the State marijuana tax of \$150,000 in FY17 and \$100,000 per year thereafter. Similar to the local marijuana tax, these are rough estimates that will continue to be refined as we gain experience with actual receipts.

Inflation Rates – The FY18 rate is 2.5%, based on state forecasts from September 2016. Inflation rates beginning in FY19 are pegged at the inflation percentages used by the State Office of Economic Analysis in their March 2017 forecast. In FY19 the rate is 2.3%, increasing to a high of 2.8% by the end of the forecast period.

Cost of Living Adjustments (COLA) – If a labor contract is in place, the forecast includes the COLA per the contract. If no contract is in place for a particular year, the forecast assumes the State Office of Economic Analysis inflation projections from their March 2017 forecast. Increases in the minimum wage, per recent Oregon Legislation, are also included.

Materials and Services – As part of the ongoing budget reduction strategy, there is no inflationary increase to existing General Fund materials and services costs in FY18. Beginning in FY19, increases are tied to the inflation percentages used by the State Office of Economic Analysis in their March 2017 forecast.

Health Benefits – The forecast includes a health benefits inflation rate of 4.8% in FY18. Based on preliminary projections from the City's actuary, the cost of health benefits are expected to rise to 5.5% in FY19 with the growth rate dropping to 5.0% by the end of the forecast period.

Retirement Costs – The forecast includes a PERS Tier 1 and Tier 2 rate increase of 3.9% of payroll in FY18, 4.2% in FY20, and 4.9% in FY22 based on the actuarial valuation from calendar year 2015 data and subsequent PERS actuary projections of system-wide rates. An OPSRP General Service rate increase of 2.3% of payroll will occur in FY18, with additional projected increases of 2.3% in FY20 and FY22. The rate for OPSRP Police/ Fire increases 3.0% in FY18 and an additional 3.0% in FY20 and FY22.

Public Employees Retirement System



Oregon
Public
Employees
Retirement
System

What is PERS and how does it work?

It is the Public Employees Retirement System, which is a pension plan for public employers. The Oregon Legislature determines what the pension plan is, the Oregon Investment Council invests the fund assets, and the PERS Board sets the rates that employers, such as the City of Eugene, must pay to cover the system costs.

How is PERS funded?

The system assets have come mainly from investment income, which represents 73.4% of system revenues since 1970. Employer contributions made up 21.1% and member contributions were the remaining 5.5%.

The PERS system is about 79% funded as of the last valuation, which was at December 31, 2015. This means that the system has approximately 79% of the funds needed to pay projected benefit costs. The remaining 21% is called the “unfunded liability”.



How are the City's costs determined?

The City's costs are determined by the PERS Board based on an actuarial projection of retirement benefits costs for City employees. The actuarial projection of benefit costs is updated every year.

What are the City's costs for PERS and will they go up in the FY18 budget and beyond?

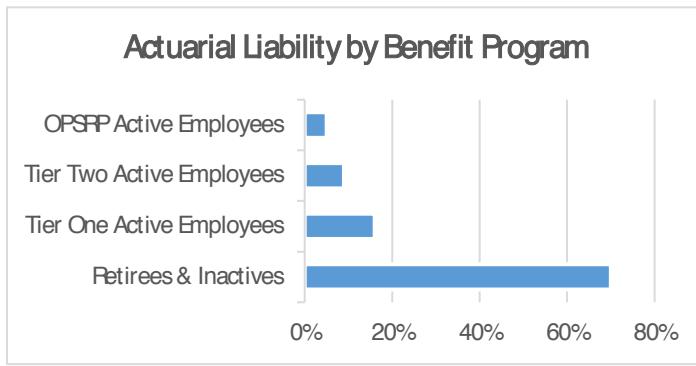
The City currently contributes about \$21.5 million for PERS costs, and those costs are expected to go up by about \$4 million in the FY18 budget. This is for all of the City's funds. Employer rates are set every two years, and the PERS Board's actuarial projections show that rates will go up significantly over the next several years.

Rates as a Percent of Payroll	FY12 Actual	FY14 Actual	FY16 Actual	FY18 Actual	FY20 Projected	FY22 Projected
Tier 1 and 2	14.03%	14.10%	17.50%	21.40%	25.58%	30.52%
OPSRP General Service	10.18%	9.26%	10.05%	12.38%	14.71%	17.04%
OPSRP Police and Fire	12.89%	11.99%	14.16%	17.15%	20.14%	23.13%

Note: Tier 1 employees were hired before 1/1/96; Tier 2 employees were hired between 1/1/96 and 8/28/03; Oregon Public Service Retirement Plan (OPSRP) employees were hired after 8/28/03.

What actions can the City take to lower the costs of PERS?

The City does not determine the benefits or costs of PERS, so there is no direct way to affect system costs. Eugene was the lead plaintiff in a lawsuit against the PERS board in the late 1990's, however, which resulted in lower costs and encouraged the legislature to create a new, lower cost tier of benefits.



The Legislature is currently considering potential ways to lower system costs. Due to previous lawsuits and court rulings, the ability to affect employer costs is limited. About 70% of the cost of the system is due to members who are either already retired or no longer working for a PERS employer. They have earned benefits and the court has said that those benefits cannot be reduced retroactively.

Will high market returns mean lower costs for the City?

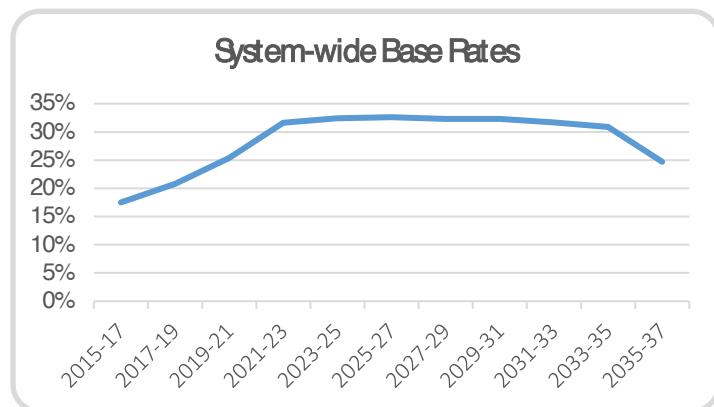
According to the PERS actuary, if market returns average 9% per year for the next six years, there will be little difference in projected employer rates. Rates are currently insufficient to pay off the unfunded liability over the 20 year amortization period. During the next six years, rates will be gradually increased to the level necessary to fully fund the liability over time. Higher or lower market returns will not have any significant impact on rates in the next few years.

What is the outlook for PERS rates in the long run?

PERS rates are expected to nearly double over the next six years. After that, rates will stabilize at those levels through about 2035. The current unfunded liability is expected to be paid off by then, and rates will start to slowly decrease in the late 2030's as a result.

How do increasing PERS costs affect the City's budget? What can the Budget Committee or the City Council do about PERS costs?

As mentioned above, PERS benefits are determined by the Oregon Legislature and the cost of funding those benefits is determined by the PERS Board. A large percentage of the cost is associated with retired employees. The Budget Committee and the City Council cannot directly impact PERS costs. They can, however, proactively plan for the financial impacts of the increasing costs. The Six-Year General Fund Forecast includes projections of future PERS costs, so that the Budget Committee and City Council can take those costs into account as they develop an approach to balancing the budget. The City has faced a budget gap in the past, and has been successful at balancing services to the community, support for employees and fiscal stewardship to close those gaps.



Where can I get more information?

The Budget Committee received a presentation about PERS at their March 9, 2017 meeting. The handout from that presentation, as well as a link to the webcast, can be found on the City's website at www.eugene-or.gov/2517/Budget-Meeting-Materials. Additionally, the PERS website has comprehensive information about the system at www.oregon.gov/PERS.

General Fund Forecast

Attachment A

GENERAL FUND SIX-YEAR FINANCIAL FORECAST (MAIN SUBFUND 011), FY18 THROUGH FY23

FY18 Proposed Budget with FY19 and FY20 Reductions

April 26, 2017

Executive Summary: Resources and Requirements

	FY15	FY16	Projected FY17	Proposed FY18	Forecast			
					FY19	FY20	FY21	FY22
Resources								
Beginning Working Capital	\$38,503,285	\$36,559,410	\$53,668,202	\$48,203,050	\$40,101,000	\$41,991,000	\$42,404,000	\$43,221,000
Current Revenues	133,959,791	156,447,171	144,722,696	149,182,998	154,209,000	159,017,000	164,007,000	169,147,000
Total Resources	172,463,076	193,006,581	198,390,898	197,386,048	194,310,000	201,008,000	206,411,000	212,368,000
Requirements								
Departmental Expenditures								
Personnel	94,555,788	101,353,019	107,221,285	111,578,178	114,360,000	120,545,000	124,047,000	130,737,000
Materials and Services	33,144,452	32,275,990	36,786,283	33,335,574	33,459,000	34,446,000	35,444,000	36,432,000
Departmental Sub Total	127,700,239	133,629,009	144,007,568	144,913,752	147,819,000	154,991,000	159,491,000	167,169,000
FY19 and FY20 Budget Reductions					(1,000,000)	(2,026,000)	(2,081,000)	(2,137,000)
Non-Departmental Expenditures	8,203,426	5,709,371	6,180,280	5,371,055	5,500,000	5,639,000	5,780,000	5,923,000
Total Expenditures	135,903,666	139,338,379	150,187,848	150,284,807	152,319,000	158,604,000	163,190,000	170,955,000
Change in UEFB	(1)	40,000	1,330,000	890,000	1,120,000	340,000	1,040,000	770,000
Total Expenditures plus Change in UEFB	135,943,666	140,668,379	151,077,848	151,404,807	152,659,000	159,644,000	163,960,000	172,245,000
Annual Operating Surplus/(Deficit)	(2)	(1,983,875)	15,778,792	(6,355,152)	(2,221,809)	1,550,000	(627,000)	47,000
Ending Fund Balance								
UEFB at June 30	(3)	21,710,000	23,040,000	23,930,000	25,050,000	25,390,000	26,430,000	27,200,000
Reserves								
Reserve for Revenue Shortfall (RRSF)	(4)	5,539,141	8,551,371	23,090,703	14,019,241	15,569,000	14,942,000	14,989,000
Comcast Decision	(5)				7,000,000			
Other Reserves	(6)	1,000,000	695,000	1,000,000	1,032,000	1,032,000	1,032,000	1,032,000
Total Reserves		6,539,141	9,246,371	24,090,703	22,051,241	16,601,000	15,974,000	16,021,000
Mid-Year Adjustments or Experience Estimates	(7)	5,741,263	(71,104)	182,347				
Reserve For Encumbrance For the Next Fiscal Year	(8)	2,723,809	2,269,491					
Marginal Beginning Working Capital For The Next Fiscal Year	(9)	(154,803)	19,183,444					
Total Ending Fund Balance		36,559,410	53,668,202	48,203,050	40,101,241	41,991,000	42,404,000	43,221,000
Total Requirements		172,463,076	193,006,581	198,390,898	197,386,048	194,310,000	201,008,000	206,411,000
<i>Notes:</i>								
(1) Increase necessary to keep Unappropriated Ending Fund Balance (UEFB) at Council adopted policy level of two months of operating expenditures, excluding reserves and contingency.								
(2) For the Proposed Budget and forecasted years, the Annual Operating Surplus/(Deficit) equals Current Revenues less Total Expenditures plus Change in UEFB.								
For actuals and current year projections, the Annual Operating Surplus/(Deficit) also includes expenditures made on supplemental budgets using carry-over resources.								
(3) Per Council policy UEFB equals two months operating expenses (total department and non-departmental expenditures).								
(4) RRSF as budgeted for actual and budgeted years. Forecast assumes any annual surpluses are set aside in RRSF and used to fully or partially fund any future operating deficits.								
(5) These funds are part of the RRSF, but identified separately as a potential resource for Budget Committee consideration.								
(6) Other Reserves include reserve for property tax appeals, reserve for 2021 World Championships, and contingency. For the Adopted Budget, includes Reserve for Encumbrance for the current year.								
(7) Mid-year adjustments include supplemental budget actions, experience estimates for revenues/expenditures, and adjustments to Beginning Working Capital (BWC) to enact the Adopted Budget.								
(8) Reserve for Encumbrance represents a reserve for uncompleted contracts carried over to the next fiscal year.								
(9) Marginal Beginning Working Capital (MBWC) represents the audited difference between estimated Beginning Working Capital (BWC) and actual BWC. MBWC is appropriated by City Council on supplemental budget in December each year.								

Reserve For Revenue Shortfall (RRSF) as a % of Actual or Projected Expenditures	4.1%	6.1%	15.4%	9.3%	10.2%	9.4%	9.2%	7.0%	5.1%
Reserve For Revenue Shortfall (RRSF) as a % of Expenditures per the Adopted Budget; Target is 8%	4.7%	6.8%	4.5%						

General Fund (Main Subfund) reserves are a way that the City plans for financial flexibility to handle unexpected events and allow the City to pay for regular operations until property taxes are received. Maintenance of adequate reserve levels is a critical factor in the City's "Aa1" bond rating from Moody's Investors Service. A high credit rating translates into lower borrowing costs on street bonds and other borrowings, saving taxpayer dollars.

For the FY18 Proposed Budget, reserves are projected to increase by \$15.6 million, or 49.6%, from the FY17 Adopted Budget levels (excluding reserve for encumbrance). The projected increase in FY18 budget reserves is primarily due to the Comcast legal settlement reached in the fall of 2016, which added \$16.5 million to the Reserve for Revenue Shortfall (RRSF). As a result, the FY18 Proposed Budget reserves are above targeted reserve levels.

The FY18 Proposed Budget reserves has four components. The first reserve is the Unappropriated Ending Fund Balance (UEFB) which equals \$25.1 million, or two months of expenditures in the FY18 Proposed Budget. This reserve enables the City to pay bills and make payroll between the start of the fiscal year in July until November when property tax revenue is received. The UEFB allows the City to operate during this time without borrowing money. By utilizing this reserve the City does not have to pay borrowing costs to provide services prior to property tax collection and is also able to earn interest on reserve balances.

The next reserve, the RRSF, which functions as the City's budget reserves or savings account, is set at \$21.0 million in the FY18 Proposed Budget, or 14.0% of expenditures. The target for this reserve is 8% of General Fund expenditures, so the FY18 Proposed Budget level is above the target. The Council contingency reserve is set at \$32,000 in FY18 and is set aside for unanticipated needs which can include items such as election costs for City measures. Finally, the fourth reserve, referred to as Other, has two parts. One part is designed to buffer the potential impacts from large property tax appeals, and it is set at \$500,000. The second part is \$500,000 that was set aside by Council in preparation for the 2021 World Championships.

All together, these reserves total 31.3% of General Fund expenditures, representing nearly four months' worth of expenditures. To put this in perspective, three months of expenditures is on the low end of what financial experts recommend as a best practice for families to keep in their emergency savings account.

Adopted Budget	FY13	FY14	FY15	FY16	FY17	FY18 Prop.
UEFB	\$21,150,000	\$21,670,000	\$21,710,000	\$23,040,000	\$23,930,000	\$25,050,000
RRSF*	10,428,107	4,895,575	6,134,237	9,451,371	6,530,703	21,019,241
Contingency	47,000	47,000	47,000	32,000	32,000	32,000
Other	1,000,000	1,000,000	1,000,000	695,000	1,000,000	1,000,000
Encumbrance**	2,188,759	1,556,669	1,714,021	2,723,809	2,269,491	0
Total	\$34,813,866	\$29,169,244	\$30,605,258	\$35,942,180	\$33,762,194	\$47,101,241

As a % of Expenditures***	FY13	FY14	FY15	FY16	FY17	FY18 Prop.
UEFB	16.7%	16.7%	16.7%	16.7%	16.7%	16.7%
RRSF	8.2%	3.8%	4.7%	6.8%	4.5%	14.0%

*FY18 RRSF includes one-time funds from the Comcast legal settlement. The City Manager is recommending \$7.0 million of the RRSF as a potential resource for Budget Committee consideration.

**The FY18 Reserve for Encumbrance will be determined at the time of FY18 budget adoption.

***The percentages are calculated net of reserves and contingency.

FY18 Proposed Budget Changes - General Fund

Main Subfund (Subfund 011)	FTE	Amount
Proposed Ongoing Funding		
Downtown Urban Renewal Staffing (revenue-backed) *	2.50	\$302,000
Criminal Justice System Funding Gaps (revenue-backed)	0.00	\$250,000
Police Reimbursable Overtime (revenue-backed)	0.00	\$200,000
Assistant City Manager Position	0.50	\$124,000
Planning and Development Executive Director Position	0.50	\$102,000
Land Use Planning (revenue-backed)	1.00	\$100,000
Police Auditor Community Engagement Specialist	0.80	\$75,000
Urban Renewal Finance Manager (revenue-backed) *	0.50	\$55,000
Park Safety and Security (revenue-backed)	0.00	\$50,000
Marijuana Tax Administration (revenue-backed)	0.00	\$20,000
Total	5.80	\$1,278,000

Proposed Limited Duration Funding (End Date)	FTE	Amount
Downtown and Urban Parks Improvements (FY18)	0.00	\$500,000
Body Worn Cameras (FY18)	0.00	\$250,000
Envision Eugene Legal Services (FY18)	0.00	\$181,000
Veterans Affairs Clinic SDC Repayment from Property Taxes (FY27)	0.00	\$135,000
Greenhill Contract Increase (FY18)	0.00	\$100,000
Total	0.00	\$1,166,000

Cultural Services Subfund (Subfund 031)	FTE	Amount
Proposed Ongoing Funding		
Cultural Services Activity Increase	0.00	\$818,000
Total	0.00	\$818,000

Proposed Limited Duration Funding	FTE	Amount
Hult Ticketing Improvements, Web Redesign and Marketing Outreach	0.00	\$150,000
Total	0.00	\$150,000

* See corresponding Urban Renewal proposed changes in Urban Renewal Agency section.

FY18 Main Subfund (Subfund 011)

Downtown Urban Renewal Staffing – Provides ongoing funding, supported by payments from the Downtown Urban Renewal District, to add 2.5 FTE in the Planning and Development Department for project delivery administration related to Downtown Urban Renewal District projects, including managing projects for a downtown high-speed fiber network, Park Blocks and open space improvements, improved space for Farmers' Market, and redevelopment of the former Lane Community College downtown center.

Criminal Justice System Funding Gaps – Provides ongoing, revenue-backed funding from the new local marijuana tax to address resource gaps within the Eugene municipal justice system. The specific use of these funds will be determined by the City Manager based on recommendations from the Community Justice Team and may include continuation of the Community Court program beyond the two-year pilot project, addressing capacity needs in the City Prosecutor’s Office, and other critical needs to improve public safety outcomes in the community.

Police Reimbursable Overtime – Provides ongoing, revenue-backed funding for overtime related to the provision of law enforcement and security services for functions outside of the normal scope of services. This increase to revenue and associated expenses match the trend in recent years of an increased demand for these services.

Assistant City Manager Position – Provides ongoing funding to bring this position to full-time. As a cost-savings measure in FY14, the Assistant City Manager position was combined with the Planning and Development Executive Director position. In early FY17, the decision was made to fully fund each position.

Planning and Development Executive Director Position – Provides ongoing funding to bring this position to full-time. As a cost-savings measure in FY14, the Assistant City Manager position was combined with the Planning and Development Executive Director position. In early FY17, the decision was made to fully fund each position.

Land Use Planning – Provides ongoing, revenue-backed funding for an additional 1.0 FTE. This will fund an Assistant/ Associate Planner to review land use applications. The Land Use Planning work group has consistently exceeded their revenue budgets over the last three fiscal years as development continues to recover from the recession and returns to normal levels. The increased level of development has a direct relationship on the number of land use applications.

Police Auditor Community Engagement Specialist – This change is a continuation and expansion of an FY17 limited duration request. Provides ongoing funding for an additional 0.8 FTE for a Community Engagement Specialist in the Police Auditor’s Office. This position will provide community engagement and outreach services, with the focus on assisting community members whose primary language is Spanish.

Urban Renewal Finance Manager – Provides ongoing funding, supported by payments from the Downtown and Riverfront Urban Renewal Districts, to add 0.5 FTE in the Planning and Development Department for a Finance Manager to work on complex financial budgeting, tracking, reconciling and reporting needs of the City staff working on Council-directed redevelopment projects.

Park Safety and Security – Provides ongoing, revenue-backed funding from the new local marijuana tax for ongoing downtown coordination work by the Facilities Management division.

Marijuana Tax Administration – Provides ongoing, revenue-backed funding from the new local marijuana tax for City costs associated with administration and collection of the tax.

Downtown and Urban Parks Improvements – Provides one-time funding for cross-departmental efforts to improve downtown and urban parks. Work will include a focus on downtown and parks safety and security, cleanliness and facilities, and programming. This work is a continuation of the one-time funding granted on FY17 Supplemental Budget #1 and will incorporate recommendations from the Downtown Operations Team.

Body Worn Cameras – Provides one-time funding for the Police Department to implement body worn cameras.

Envision Eugene Legal Services – Provides one-time funding for a limited duration Assistant City Attorney position. This position will be dedicated to providing legal support for the work related to implementation of Envision Eugene and other long-term planning and growth management initiatives.

Veterans Affairs Clinic SDC Repayment – Provides funding through fiscal year 2027 to offset the loss from waiving System Development Charges (SDC) for the construction of the Veterans Affairs Clinic. As part of the agreement, the City committed to use property taxes generated by the development to offset the loss.

Greenhill Contract Increase – Provides one-time funding to address increased contract costs associated with the operation of the First Avenue Animal Shelter. Continuation of a one-time addition in FY17.

FY18 Cultural Services Subfund (Subfund 031)

Cultural Services Activity Increase – Provides ongoing, revenue-backed funding for increased commercial and Hult Presents shows at the Hult Center. Revenues from the additional events will offset the increased expenditures.

Hult Ticketing Improvements, Web Redesign and Marketing Outreach – Provides one-time funding to assess and develop improvements to the Hult Center's ticketing system and website, as well as outreach targeted to diversify and expand the audience.

Prior Years' Limited Duration Funding Removed in FY18

Main Subfund (Subfund 011)		
Body Camera Matching Grant Funding	0.00	\$250,000
Evidence Control Unit Staffing	0.00	\$250,000
Replacement of Recreation Program Software	0.00	\$150,000
Human Services Commission Funding	0.00	\$125,000
Community Justice Initiative	0.00	\$100,000
Greenhill Contract Increase	0.00	\$95,000
Police Auditor's Office Limited Duration Position	0.00	\$49,000
Rest Stop Program	0.00	\$25,000
Total	0.00	\$1,044,000

Main Subfund (Subfund 011)

Body Worn Camera Matching Grant Funding – Provided one-time funding for the match portion of the Body Worn Camera grant received by the Police Department.

Evidence Control Unit (formerly Property Control) Staffing – Provided funding for two years (FY16 and FY17) as additional resources for the Evidence Control Unit to comply with audit recommendations.

Replacement of Recreation Program Software – Provided one-time funding to assist in the replacement of the Recreation program's CLASS registration and scheduling software.

Human Services Commission Funding – The Budget Committee and City Council directed staff to allocate \$125,000 in one-time funding from Marginal Beginning Working Capital on FY17 Supplemental Budget #1 for the Human Services Commission.

Community Justice Initiative – Provided one-time funding to support the Community Justice Initiative project. Goals of the project include reducing behavioral crime and recidivism, achieving a better alignment between justice system processes, caseload and available resources, and creating a more nuanced community justice system that focuses on problem solving, individualized treatment of the offenders, providing restorative justice options, and achieving faster resolution of cases.

Greenhill Contract Increase – Provided one-time funding to address increased contract costs associated with the operation of the First Avenue Animal Shelter. An additional one-time allotment is included for FY18.

Police Auditor's Office Limited Duration Position – Provided one-time funding for a limited duration (0.5 FTE) position in the Police Auditor's Office. This position worked as a community engagement and translation specialist to assist community members whose primary language is Spanish. This is included as an ongoing, increased FTE for FY18.

Rest Stop Program – The Budget Committee and City Council directed staff to allocate \$25,000 in one-time funding from Marginal Beginning Working Capital on FY17 Supplemental Budget #1 for the rest stop program.

FY18 Proposed Budget Changes - Other Funds

Road Fund (Fund 131)	FTE	Amount
Signs and Markings Inventory Growth	0.00	\$100,000
Utility Locate Technical Specialist (partially funded by Fund 530)	0.50	\$62,000
Telecom Registration/ Licensing Fund (Fund 135)		
Telecom Equipment Replacement Fund Shortfall	0.00	\$500,000
Construction and Rental Housing Fund (Fund 150)		
Plumbing Inspector and Van	1.00	\$144,000
Structural Engineer Plans Reviewer	1.00	\$137,000
Business Liaison	1.00	\$137,000
Municipal Airport Fund (Fund 510)		
Air Show	0.00	\$100,000
Airport Worker	1.00	\$95,000
Parking Services Fund (Fund 520)		
Business Intelligence Analyst	0.50	\$0
Wastewater Utility Fund (Fund 530)		
Utility Locate Technical Specialist (partially funded by Fund 131)	0.50	\$62,000
Utility Administration Coordinator	1.00	\$90,000
Stormwater Utility Fund (Fund 539)		
Green Infrastructure Maintenance	0.00	\$50,000
Ambulance Transport Fund (Fund 592)		
Basic Life Support System (revenue-backed)	0.00	\$250,000
Risk and Benefits Fund (Fund 620)		
Emergency Management Analyst	0.50	\$53,000
Total	7.00	\$1,780,000

Road Fund

- Signs and Markings Inventory Growth – Funding to assist in the provision of routine maintenance of the large volume of signs and markings added to the City inventory since 2009 to support bicycle and pedestrian infrastructure and transportation safety.
- Utility Locate Technical Specialist – Provides funding for 0.5 FTE for locating utilities. Locating utilities requires highly trained staff to research, identify and locate City services including waste and stormwater facilities, and street light and traffic signal wiring. The current trends in construction and development lead management to believe that current staff resources will not meet future demand. By law, locate requests must be performed in a prescribed time. This position will significantly reduce overtime expenses (see Wastewater Utility Fund for additional 0.5 FTE increase).

Telecom Registration/Licensing Fund

- Telecom Equipment Replacement Fund Shortfall – The Telecom program currently funds telecom related equipment replacement at \$500,000 per year. This funding supports critical parts of the City's information technology infrastructure, such as the data network hardware, as well as equipment used by individual departments. This amount is not projected to keep pace with the telecom-related equipment replacement needs over the next six fiscal years. This addition would provide adequate funds for the unfunded portion of the City's telecom equipment replacement costs.

Construction and Rental Housing Fund

- Plumbing Inspector and Van – During the last recession, overall Inspection Staff was reduced by 7.0 FTE. With the recovery level of construction stabilizing, this additional position and vehicle will assist the organization in providing inspections in a timely manner.
- Structural Engineer Plans Reviewer – Development, inquiries and consultations have continued to see increases that have exceeded the current service capacity for Building and Permit Services. When internal resources are at capacity the City sends work to third-party contractors. The addition of this position is expected to reduce those costs by \$60,000 and also provide the City with greater oversight of the review process.
- Business Liaison – This position would work as a liaison between the local building community and senior management of the Planning and Development Department to develop, interpret, manage and analyze administrative systems, policies and procedures related to building and local code. This position would also directly coordinate staff and resources responsible for public outreach as well as managing community relations and expectations

Municipal Airport Fund

- Air Show – This funding would allow the Airport to provide an annual air show in conjunction with other Airport events that promote the airport, services available and aviation. The air show would also give local businesses an opportunity to advertise and gain public exposure to a new segment of the community. The event could also provide opportunities for vendors to provide services during the air show.
- Airport Worker – This additional position will provide support and maintenance to the increased airfield infrastructure at the Airport. Increased passenger traffic and use has increased necessary repair and maintenance work that had previously been somewhat seasonal and relied on staff overtime to complete.

Parking Services Fund

- Business Intelligence Analyst – This position will manage parking structure capital project investments, audit annual parking revenue, lead tech initiatives, wayfinding, and work with community and partners to implement master plans and projects. This position will be funded by existing resources.

Wastewater Utility Fund

- Utility Locate Technical Specialist – Provides funding for 0.5 FTE for locating utilities. Locating utilities requires highly trained staff to research, identify and locate City services including waste and stormwater facilities, and street light and traffic signal wiring. The current trends in construction and development lead management to believe that current staff resources will not meet future demand. By law, locate requests must be performed in a prescribed time. This position will significantly reduce overtime expenses (see Road Fund for additional 0.5 FTE increase).
- Utility Administration Coordinator – The addition of this position will offset the additional workload associated with the implementation of EWEB's new Customer Information System.

Stormwater Utility Fund

- Green Infrastructure Maintenance – This request will provide equipment and supplies to be used in green stormwater management. This workgroup provides maintenance, inspection and reporting on public stormwater development. Forecasts indicate continued growth of this program on both the public and private side. Facilities have been installed that will require replacement of plants and other components to extend their lifespan. For FY18, funding will be for equipment and supplies and a request will be submitted in FY19 for an additional 1.0 FTE.

Ambulance Transport Fund

- Basic Life Support System – The Fire Department's Emergency Medical Services deployment system is unsustainable due to increased demand and limited resources. Currently, the department deploys an advanced level (ALS) medic unit on all medical calls. In 2017, the department implemented, on a trial basis, a basic life support (BLS) program to help ensure the appropriate medical transport unit is dispatched to the emergency scene, and saves ALS medic units for the most critical calls for service. This additional unit will be operated using existing staff and equipment. User fees associated with this program are anticipated to offset the costs.

Risk and Benefits Fund

- Emergency Management Analyst – Provides funding through the Risk and Benefits Fund for the addition of 0.5 FTE. This partial FTE will be added to an existing half-time position to lead the City's Natural Hazards Mitigation and Continuity of Operations plans and processes and other emergency management program assignments.

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This new section of the FY18 Proposed Budget document was developed in response to Budget Committee feedback at their workshop on February 4, 2017. This section is intended to provide updates on important plans, policies and initiatives of the City Council in a short, easily understandable format. The write-ups are intended to convey (where applicable):

- A description of the service area, priority or initiative;
- The outcomes we are trying to achieve;
- The direction received from council, including any adopted plans, policies or specific actions;
- The actions that have been taken so far and planned actions. This is a brief update and not intended to be a comprehensive list of all past and future actions;
- Any new allocations in the FY18 budget; and
- Information about where people can go to find out more.

The write-ups are limited to one sheet of paper, both sides. They include visuals, such as graphs or charts, photos, etc., to help illustrate the points.

This section includes write-ups of the following items:

- Affordable Housing
- Climate Recovery Ordinance
- Downtown and Urban Parks
- Emergency Preparedness
- Homelessness
- Human Services
- Parks and Recreation System Plan
- Pavement Preservation Program
- Safe Community/Community Justice Initiative
- 2021 World Championships

The City of Eugene receives annual funding from the U.S. Department of Housing and Urban Development (HUD) through the Community Development Block Grant (CDBG) and HOME Investment Partnership Program (HOME). For FY17, Eugene received a CDBG grant of \$1,247,300. Eugene and Springfield received a HOME grant of \$966,009 for FY17, and approximately 75% of these funds are designated for use within Eugene.

The use of CDBG and HOME funds are guided by the Eugene-Springfield 2015 Consolidated Plan, which was developed through extensive data analysis, community engagement, and multiple work sessions with City Council. The Consolidated Plan includes strategies for both affordable housing and community development activities. The 2015 Consolidated Plan identifies strategies to increase access to affordable housing by:

- Increasing the supply of affordable housing
- Rehabilitating and preserving existing affordable housing stock
- Removing barriers to affordable and supportive housing

Staff administer additional City in-kind subsidies including the System Development Charge Grant and Low-Income Rental Housing Property Tax Exemption programs. These resources are typically combined with federal and state funds received by the City to make affordable housing developments possible.



Bascom Village

Increase Supply of Affordable Housing

The City of Eugene increased the supply of affordable housing through construction and acquisition of new affordable housing and property acquisition for future affordable housing. The following notable projects have been completed recently or are underway:

- *Bascom Village*- St. Vincent de Paul Society of Lane County and HACSA completed a new 101 unit development for low-income people.
- *North Polk Street Apartments*- Neighborhood Economic Development Corporation (NEDCO) acquired a 12 unit building that serves very-low income youth aging out of foster care.
- *Delta Court*- Cornerstone Community Housing acquired an 8 unit building on Hunsaker Lane to serve as transitional housing for homeless families.
- *The Monroe*- Liberty Housing Group acquired a 6 unit building in the Whiteaker neighborhood, which will serve veterans.
- *Youth House*- St. Vincent de Paul Society of Lane County acquired a church for conversion into 14 transitional housing units for homeless high school students.
- *River Road Apartments*- NEDCO acquired a 4 unit building for very-low income people with HIV/AIDS.

Land Acquisition for Affordable Housing

The City of Eugene acquired vacant land on River Road using CDBG funds for the future development of 50-60 units of affordable housing. The site will be offered through a future Request for Proposals along with HOME funds and local resources.

Rehabilitate Existing Affordable Housing Stock

The City works to rehabilitate and preserve existing affordable housing through the Housing Rehabilitation Fund supported with CDBG funds.

Emergency Home Repair and Accessibility Improvements

Twenty-three individual households received assistance through Eugene's emergency home repair and accessibility improvements. Of these, 13 homes are occupied by homeowners with disabilities.

Households served through this program include seniors, persons with disabilities and people living in manufactured home parks.



Olive Plaza

Rental Rehabilitation Activity

- *Olive Plaza* – The City provided significant support for the rehabilitation of Olive Plaza using CDBG funds including seismic upgrades and accessibility improvement. This action preserved 150 units of affordable housing for very low income seniors and people with disabilities.
- *West Town on 8th* - Cornerstone Community Housing is using CDBG funds to repair construction defects that have led to a failed roofing system. This will preserve 102 affordable housing units in downtown Eugene.

Remove Barriers to Affordable and Supportive Housing

Intergovernmental Housing Policy Board - The mission of the HPB is to increase the availability of decent, affordable housing, for low and very low income people in Lane County through collaboration and policy recommendations.

Fair Housing - The City of Eugene engages in fair housing work in collaboration with the Fair Housing Council of Oregon, including services for Eugene residents with complaints of illegal discrimination, coordinated outreach with community agencies and trainings for staff, non-profits and community members.

Current Challenges

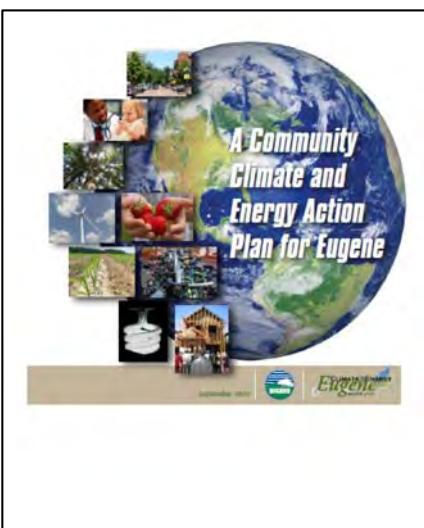
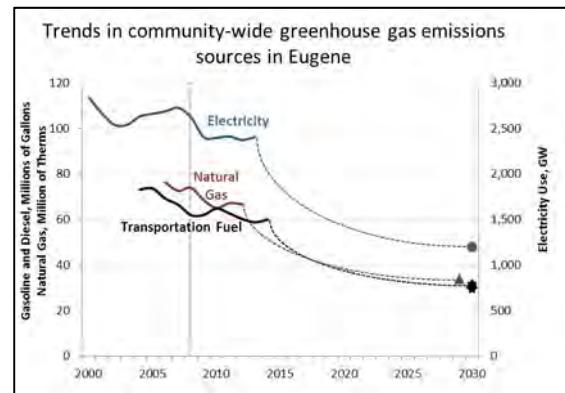
The variability and instability of the federal budget creates challenges in program development and operation. The funds are highly regulated and uses are restricted. The funds have also diminished significantly over time. The future of these federal grant programs is uncertain as they would receive no funding under the current federal budget proposal.

For More Information

- Consolidated Plan, Annual Action Plans, Annual Reports: www.eugene-or.gov/hudconplan
- Fair Housing: www.eugene-or.gov/fairhousing

The Climate Recovery Ordinance (CRO), adopted in 2014 and updated in 2016, provides goals for organization and communitywide greenhouse gas emission (ghg) and fossil fuel use reductions, including:

- By 2020, all City-owned facilities and City operations shall be carbon neutral, either by reducing greenhouse gas emissions to zero, or, if necessary, by funding of verifiable local greenhouse gas reduction projects and programs or the purchase of verifiable carbon offsets for any remaining greenhouse gas emissions.
- By 2030, the City organization shall reduce its use of fossil fuels by 50% compared to 2010 usage.
- By 2030, all businesses, individuals and others living or working in the city collectively shall reduce the total (not per capita) use of fossil fuels by 50% compared to 2010 usage.
- By the year 2100, total community greenhouse gas emissions shall be reduced to an amount that is no more than the City of Eugene's average share of a global atmospheric greenhouse gas level of 350 ppm, which was estimated in 2016 to require an annual average emission reduction level of 7.6%.



Resources

Since adoption, the Council has approved \$85,000 on multiple supplemental budgets to support technical assistance for inventories and tracking as required by the ordinance. The FY18 Proposed Budget does not contain new appropriations to support CRO implementation. The City's approach has been to leverage existing funding across all departments and service areas to support investments that advance CRO goals. The Unfunded Needs Assessment (UNA) contains several CRO-related items, and it is anticipated that additional funding to support CRO implementation will likely be needed in future fiscal years.

Making Progress

Since adoption of the CRO, the City of Eugene has been working on implementation. While departments have made significant steps to reduce emissions, most recent actions reflect reporting and communication efforts.

Communications: Knowing that the community wants to stay up to date on the work of the City, the CRO webpages have been updated to convey the goals, plans, and work in an accessible way for the public, www.eugene-or.gov/climaterecovery.

Progress Reports: The City produced the Climate Energy Action Plan (CEAP) progress reports in 2011 and 2013, as well as a CRO progress report in 2015. Work is currently underway to complete a 2017 progress report to inform the 2017 CEAP update.

Inventories: The organization finalized community-wide (2015 sector-based and 2013 consumption-based) and internal (2013 and 2015 scope 1 and 2) ghg inventories. In 2013 community consumption was inventoried and in 2015 the inventory looked at information by sectors. This information may be used in future implementation efforts.

Engagement: Work with a Mayor's Ad Hoc workgroup and the Sustainability Commission to provide input on a CRO Communications Plan and a CEAP Update Plan is underway. The work will include recommendations to the Mayor on reporting metrics, action items, and community engagement.

Internal Efforts: The City has been working on emissions reductions through improvements to operations for several years. Previous efforts include streetlight retrofits to use of light-emitting diodes (LEDs), switching from biodiesel to renewable diesel, building retro commissioning, indoor LED lighting, and purchasing electric vehicles to name some. Going forward City departments will work on individual plans for ghg emissions reductions through a phased approach. Plans for the Fire Department and Fleet Services are scheduled for completion by the end of FY17.



What's Next

- Over the next couple of months the Mayor's Ad Hoc workgroup will finalize recommendations to the Mayor.
- In the fall, staff will present to City Council annual reports on CRO goal progress, updates on CEAP planning efforts and proposed administrative rules outlining the City's inventory baseline and methodology as required by the ordinance.
- Once Fire and Fleet Services finalize their reduction plans, additional departments will begin work to do the same.
- The Budget Committee directed staff to investigate and report back to the Budget Committee within six months how:
 - 1) The City can create greenhouse gas reduction metrics from Capital Improvement Program (CIP) projects;
 - 2) The City can track projects that help meet our CRO goals; and
 - 3) The CIP process can be modified to prioritize projects that help us meet our CRO goals.

Safe and Welcoming Public Spaces

Providing vibrant, active and safe public spaces for people in the downtown area and surrounding parks continues to be a high priority for the Eugene City Council and the entire City organization. Cross-departmental staff teams are focused on three key areas to achieve this goal: a) environmental enhancements; b) police and security presence; and c) programming activities.

The focus is on the downtown and urban parks in and surrounding downtown, such as Washington Jefferson, Skinner's Butte and Monroe Parks, in addition to the Park Blocks and Broadway Plaza. When evaluating options for improvements in one area, the team also takes into consideration the impacts of how these improvements could affect other neighborhoods such as Whiteaker and Jefferson Westside. Beginning in the winter of 2017, the City has been focusing on specific efforts to support these valued public spaces.

Stakeholder and Community Engagement

Stakeholder involvement in working together to find solutions to current challenges is and will continue to be important to the long-term success downtown. Over the last year and a half, a number of engagement efforts have collected extensive input from the community regarding downtown, including but not limited to the following:

- Mayor's Downtown Solutions Forum, December 2015, more than 150 participants and 22 responses to the online survey.
- Project for Public Spaces Public Engagement, Summer and Fall of 2016:
 - Places for People Advisory Committee – 12 participants representing downtown stakeholders;
 - Interviews and Focus Groups – 16 community organizations, more than 100 people;
 - Two Placemaking Workshops – 60 participants;
 - Pop-Up Placemaking Stations – 12 locations (at least one in every City ward), 250 participants;
 - On-line Community Survey – close to 2,000 responses.
- Stakeholder meetings, winter 2016 – Downtown Policy Team and Operation Team met with the Downtown Stakeholder group multiple times to gather feedback and input on safety concerns and solutions.



Downtown Solutions Forum

Additional public input is received on an ongoing basis via a variety of channels, including City Council public forums, City website and social media, and via public engagement around specific initiatives, such as outreach to the downtown business and property owners as part of the Community Court program implementation.

The results from the Downtown Solutions Forum are available on the City's website at www.eugene-or.gov/downtownsolutions and the presentation and summary of observations and engagement by the Project for Public Spaces are available at www.eugene-or.gov/placesforpeople.

What's next?

Based on community input, City staff have developed a short-term action plan for improving downtown and urban parks in the summer of 2017, with the goal of making downtown and urban parks feel safer and more inviting. Key components of this action plan will include but are not limited to the following:



Park Ambassadors

Safety and Social Services

<i>Helping Those in Need</i>	<ul style="list-style-type: none">• Expand the Community Outreach Response Team program to include parks;• Continue to support and utilize Community Court and collaborate with social service providers.
<i>Setting Clear Expectations</i>	<ul style="list-style-type: none">• Add new Park Blocks signs with park name and rules;• Build on the "Be" campaign, a positive visioning campaign that portrays a community where all people are included, empowered, engaged, safe and welcome, by posting signage downtown.
<i>Improving Safety and Sense of Security</i>	<ul style="list-style-type: none">• Increase EPD staffing downtown and in urban parks during spring/summer season by four officers through backfill and overtime;• Expand the Park Ambassador program by four ambassadors in downtown parks and one park host in the Park Blocks, and implement a citizen "Downtown Watch" program;• Utilize and leverage existing volunteer programs offered through social services providers.

Physical Improvements and Amenities

<i>Making Spaces Healthier and Safer</i>	<ul style="list-style-type: none">• Improve Washington Jefferson Park basketball court facilities;• Upgrade security lighting;• Provide an attended restroom downtown and offer managed day storage lockers.
<i>Improving the Look and Feel</i>	<ul style="list-style-type: none">• Deep clean downtown sidewalks and other public areas;• Add seating to enhance public spaces and improve planters and landscaping;• Upgrade decorative lighting and enhance public art;• Add a public phone/device charging station.

Programming Activation

<i>Creating Reasons to Come</i>	<ul style="list-style-type: none">• Implement Project for Public Spaces' "Lighter Quicker Cheaper" short-term recommendations that create active and inviting public spaces;• Develop a busking program to activate our public spaces with live music;• Seek partnerships and sponsorships to create more free programs and events;• Partner with the University of Oregon and Harmonics Laboratory on the digital arts projection project.
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Investments in Downtown

To implement the short-term downtown action plan in FY17, \$500,000 in one-time funding was appropriated as part of the FY17 Supplemental Budget #1. The FY18 Proposed Budget includes \$500,000 in one-time General Fund appropriations and \$50,000 in ongoing funding from local marijuana tax to support the downtown and parks safety and security initiative.

Building a Resilient Community

The City of Eugene Emergency Management Program mission is to protect the community from the impact of disasters or emergencies by maximizing public health and safety, minimizing property damage and mitigating the environmental consequences. The program uses a comprehensive all-hazards approach to emergency preparedness and attempts to address all hazards that may result in disasters or emergencies for our community, including natural hazards such as severe winter weather, floods and earthquakes as well as planned events that may require an emergency response.

Focus Areas

The overarching Emergency Management mission areas, identified by the Federal government, are prevention, protection, mitigation, response and recovery. At the local level, Eugene's Emergency Management Program is involved in many emergency preparedness activities to further our goals in each mission area, including operational readiness, implementation of mitigation strategies, community preparedness and stakeholder partnerships. Operational readiness is dependent on effective emergency planning, training, exercising, and evaluating the organization's capability. The City of Eugene Emergency Management Program has made significant progress in each of these areas.



In October 2014, the cities of Eugene and Springfield adopted the first joint Eugene Springfield Multi-Jurisdictional Emergency Operations Plan (EOP). The EOP, updated in November 2016, is an all-hazards plan that enhances coordination and collaboration between Eugene and Springfield, identifies stakeholders and provides the framework to accomplish the Emergency Management Program's mission. The purpose of the joint plan is to establish a comprehensive approach to protect the life, safety and health of the community and to provide for the most efficient and effective use of resources.

Eugene and Springfield also coordinate planning and implementation of a joint Eugene-Springfield Multi-Jurisdictional Natural Hazards Mitigation Plan (NHMP) that addresses multiple natural hazards including earthquake, flood, wildfire and landslide. The latest update of the NHMP, adopted by the City Council in February 2015, includes a climate and hazards vulnerability assessment of twelve essential sectors of our community.

The vulnerability assessment was used to inform the development and prioritization of specific mitigation actions for multiple natural hazards. The action items in the NHMP, for example, seismic evaluation of bridges and critical facilities, help guide our planning and decision making and are consistent with the priorities identified in the Oregon Resilience Plan to improve community resilience.

In June 2016, the City of Eugene, in conjunction with the City of Springfield and other community partners, participated in the regional FEMA-coordinated Cascadia Subduction Zone emergency exercise called Cascadia Rising 2016. The exercise addressed the likely consequences of a Cascadia Subduction Zone 9.0 earthquake off the coast of Oregon and followed over a year of preparation involving nearly 100 City employees and community partners. Eugene received State Homeland Security Grant funding for consulting services to assist with planning and evaluation of the exercise. Exercise objectives included:

- Open an Emergency Operations Center;
- Establish a Joint Information Center;
- Develop a plan for long term sheltering, including food, water and shelter management;
- Develop a bridge assessment and transportation plan; and
- Test coordination with other Emergency Operations Centers and levels of government.



Cascadia Rising 2016 emergency exercise

Eugene has an active Community Outreach Program which supports our resiliency strategy. In FY16, there were over 2,200 participants. Eugene has coordinated the Eugene-Springfield Area Community Emergency Response Team (CERT) volunteer program since 2003 and has trained over 1,500 emergency response volunteers. Eugene actively fosters stakeholder partnerships with EWEB, the City of Springfield, Lane County, and many other governmental and non-profit organizations to further our community resilience goals. For example, Eugene supports EWEB's Water Emergency Preparedness Campaign and is a Resilient Lane County Emergency Preparedness partner.

Moving Forward: Challenges and Priorities

To develop a resilient community, moving forward the City and government and community partners will need to:

- Identify funding for the mitigation actions identified in the NHMP, for example funding to assess and seismically enhance critical buildings, bridges and other critical infrastructure;
- Continue to improve operational readiness by developing plans that will enhance community resilience, including energy and fuel management plans and continuity of operations plans;
- Continue to invest in training employees involved in emergency management activities;
- Strengthen community resilience by encouraging personal preparedness through the Community Outreach Program.

Eugene has applied for a \$676,000 grant to fund seismic upgrades to 3 fire stations: Bethel, Danebo and University.

FY18 Budget Allocations

Funds for Emergency Management are included in the Risk Fund. The FY18 Proposed Budget includes funding to bring to full-time a position to lead the City's Natural Hazards Mitigation and Continuity of Operations plans and processes. The FY18 capital budget includes funds to begin replacement of the West Irwin Pump Station, which was originally constructed in 1964, to both improve its functionality and make it seismically sound.

Homelessness and Role of City Government

The City of Eugene is engaged in a number of efforts to address homelessness in our community. These efforts seek to address the need for both permanent solutions and more short-term emergency shelter strategies; to balance livability of neighborhoods with a compassionate and humane response to the challenges that unhoused people face and the reality of our current housing and homelessness crisis; and they acknowledge that partnerships are key to the success of all efforts. Recognizing that people experiencing homelessness each have a unique set of circumstances, needs and challenges, the City and its partners know that there is no “one size fits all” solution, but that a variety of strategies and services are needed. The City of Eugene contributes a significant amount of resources to addressing homelessness in our community; in particular, the City:

- Contributes staff time and operational resources from every department, including responding to calls for service by the Police and Fire & EMS Departments, Public Works staff providing park clean-up, Library and Recreation staff providing services to unhoused community members at libraries and community centers, homelessness programs coordination by the Central Services staff, affordable housing and social services programs funded or operated by Planning and Development Department, and many others.
- Funds the Lane County Human Services Commission at \$810,000 annually, a portion of which supports a wide variety of services for unhoused individuals in our community.
- Provides funding through the Community Development Block Grant Fund for capital improvements at social services facilities and social services for low-income persons and families.
- Provides \$89,000 in annual funding to St. Vincent dePaul Society for the car camping program.

Policy

- The Eugene City Council passed a resolution in October 2015 declaring the urgency of the housing and homelessness crisis and the need for state assistance to address it. Council also passed a resolution in May 2016 to declare the City’s commitment to the Housing First model as a key strategy for addressing homelessness.
- The Poverty and Homelessness Board (PHB) provides policy guidance to the Lane County Board of Commissioners to address homelessness across the region. The City is represented on the PHB to contribute to leadership, policies and planning. Among other goals outlined in its 5-year strategic plan, the PHB is currently working on creating 600 additional permanent supportive housing units by 2021.



Program and Initiatives

In September 2013, the City Council took action to create the Rest Stop Pilot Program, and recently Council passed an ordinance to remove the sunset date from the program. Rest stops offer shelter in Conestoga huts and tents on platforms for up to 20 unhoused people at each site. Sites are managed with rules and expectations. There are application and vetting processes for potential applicants. The structure of rest stops contributes to safety, personal health and growth of the residents, and stability and support for helping residents connect with needed services.

Operated by non-profits, the rest stops are transitional shelter that assist people with identifying and moving into permanent stable housing.

The program is administered by staff in the City Manager's Office. At the recommendation of the Budget Committee, Council approved \$25,000 for the program on FY17 Supplemental Budget #1 and directed the City Manager to work with neighborhoods in a phased approach to establish new rest stop sites outside of Ward 7. FY17 Supplemental Budget #1 also included one-time funding of \$75,000 to expand hours of operation at the Lindholm Center, which provides services to single homeless individuals, and \$50,000 towards expanding the car camping program. City staff are working with neighborhoods and community members on additional outreach.

- The **Overnight Parking Program (OPP)**, run in partnership with St. Vincent de Paul, currently hosts over 80 people on 70 sites at 43 addresses, both public and private, in Eugene and Springfield. The OPP provides safe and legal places for unhoused people to sleep in their vehicles, tents, Conestoga huts or tiny homes on wheels.
- In 2015, the Eugene City Council passed an ordinance authorizing the **Dusk to Dawn** program, which allows overnight sleeping from 4:30 pm to 7:30 am at pre-approved locations. From November 1, 2016 through January 15, 2017, the Dusk to Dawn program served over 280 people at the Eugene Service Station and 23 individuals in the Safe Parking Program in the parking lot of Lane County Behavioral Health.
- SquareOne Villages continues to oversee **Opportunity Village** on Public Works property on N. Garfield Street. The site has the capacity to serve up to 35 people at one time in 29 temporary housing units and offers common bath, kitchen and gathering spaces. The non-profit also worked closely with Planning and Development department staff on the design of Emerald Village at N. Polk Street and Railroad.
- The City of Eugene is partnering with the 4J and Bethel School Districts and a number of community partners such as Looking Glass and Hosea Youth Services on the **15th Night Initiative** to address youth homelessness.



Moving Forward: Challenges and Priorities

- The number of households living in poverty is rising, and the number of affordable market rate housing units is shrinking. Over half of Eugene renters and a third of homeowners have a moderate or severe housing cost burden that places them at risk of homelessness.
- While Eugene continues to support development of affordable and special needs housing, development has not kept pace with the growth in need.
- Stabilizing our current rest stop program by locating a more permanent site for each existing rest stop is both a challenge and priority.
- Education and outreach around rest stops and other City and community efforts to combat homelessness are key to increasing both awareness and opportunities for partnerships and collaboration within the community.
- With the homeless population in Lane County totaling over 1,400, there is a need for more emergency safe shelter sites.
- Unauthorized camping in City parks and public right-of-ways is having a taxing impact on the community, the unhoused, and the City. While interdepartmental teams continue to explore and implement strategies to increase public safety and help address the needs of the unhoused, finding workable solutions that meet the magnitude and urgency of the need is a continuing challenge.

We are working towards a community where all people are safe, valued, and welcome.

The City of Eugene contributes to Human Services Funding annually, both General Funds and Federal Community Development Block Grant (CDBG) funding. We provide funding for critical services for vulnerable people in our community including those experiencing poverty, hunger, homelessness, or physical or mental health crises. Services include housing, food, and crisis intervention. The budget allocations span multiple departments, based on department related partnerships with non-profit agencies.



Human Services Commission (HSC)

General Fund Contribution

City of Eugene Planning and Development Department contracts with Lane County HSC between \$1.3 Million and \$810,000 annually. The current ongoing base funding is \$810,000. These funds are distributed by Lane Country to non-profit partners through a Request for Proposal (RFP) process. Additional resources for expanded weekend hours at the Lindholm Center for single homeless individuals has been provided as part of the Supplemental Budget the past few years.

General Fund Contributions	FY16	FY17	FY18 Proposed
Ongoing Base Funding	\$610,000	\$810,000	\$810,000
One-Time Funding in Adopted Budget	\$250,000		
Supplemental Budget		\$125,000	
Total General Fund	\$860,000	\$935,000	\$810,000

CDBG Portion

City of Eugene Planning and Development Department contracts with Lane County HSC to provide \$350,000 annually of CDBG specific funding that is distributed to a range of services through an RFP process. Catholic Community Services, St. Vincent de Paul Lindholm Singles Access Center and Family Emergency Shelter, Relief Nursery, Food For Lane County Food Bank and Dinner Site, and Womenspace receive these funds.

Looking Glass Youth Shelter

City of Eugene Police Department provides \$36,000 annually to the HSC that goes towards Looking Glass Station 7 to provide shelter services to prevent youth homelessness. Station 7 and its Rural Program component are in operation 24-hours-a-day to provide crisis intervention services for youth, ages 11-17, and their families.



Buckley House/ Willamette Family Treatment Center

City of Eugene Police Department contracts with Willamette Family Treatment Center annually in the amount of \$79,000 to provide sobering services.

Whitebird CAHOOTS (Crisis Assistance Helping Out On the Streets) Vans

City of Eugene Police Department contracts with Whitebird Clinic to run a 24 x 7 mobile crisis intervention program that includes a medic and a crisis worker. Currently a budget of \$900,000+ and three vans are funded. Eugene Police owns and maintains the vans and contracts for the services provided.



St. Vincent de Paul – Overnight Parking Program

City of Eugene Planning and Development Department contracts with St. Vincent de Paul for \$89,000 annually, which has been increased by \$50,000 through the Supplemental Budget the past few years. These funds support the City's Overnight Parking Program by providing oversight and sanitation services to approximately 80 homeless vehicle campers in designated areas as well as significant outreach and response to complaints around illegal on-street camping.



In 2015, the Parks and Open Space and Recreation Services divisions launched a process to establish a plan for the future of the Parks and Recreation System. The goals of the system plan are to address current challenges, plan for future population growth and trends and be responsive to community-identified needs. Two outcomes of this process include a 30-year vision for parks and recreation to benefit current and future generations and a 10-year implementation plan that identifies priorities and funding strategies.



Community Engagement

Through a combination of traditional and innovative public outreach tools, over 10,000 community members were actively engaged:

- Pop up events
- Newsletter mailed to 86,000 households
- Latino outreach
- Online surveys
- Statistically valid telephone surveys
- Community advisory group
- Neighborhood and stakeholder meetings
- Website/e-news



One of the results from this community engagement was a clearly defined set of four principles to guide decision making about services and priorities:

- Care for and make the most of what we have: Provide safe, clean and fun parks and recreation facilities, and enhance their value for the community to enjoy.
- Serve the entire community: Provide equitable and welcoming access to parks and recreation facilities, regardless of neighborhood, culture, ability or income.
- Create more connections: Build on Eugene's strong foundation of connected open spaces and trail networks by completing and making new connections to nature at the regional, city and neighborhood levels.
- Build better partnerships: Forge new relationships and reinvent old partnerships across all sectors to leverage resources and add value to Parks and Recreation services.

30-Year Vision for Parks and Recreation

The 30-year vision for parks and recreation in Eugene includes the following highlights:

- Renovate existing community centers, pools, parks and natural areas
- Build new parks, community centers and pools in underserved areas
- Enhance recreation along the Willamette River and other waterways
- Improve walking and biking opportunities in all neighborhoods
- Make parks safer

These highlights translate into 250 individual projects totaling approximately \$350 million in investment. Projects have been prioritized based on triple bottom line considerations and criteria that supports the four principles.



10-Year Implementation Plan

The next step in this process is to identify how much of this vision to prioritize for implementation in the next 10 years. To that end, four scenarios have been developed to illustrate what can be achieved with varying levels of investment. A scenario overview and project details can be found at www.eugparksandrec.org.

These scenarios are not intended to represent the only options for moving forward, but to facilitate a conversation that results in the community's preferred scenario, which could be one of the four or something entirely different. The scenarios depict funding for both capital projects and operations and maintenance (O&M) resulting from a voter approved capital bond and/or operating levy. Other sources for O&M, such as a park utility fee, are also under consideration. Likewise, a variety of capital funding sources that include System Development Charge funds, donations, grants and partnerships are assumed and represented in the project cost estimates of the various scenarios.

Funding mechanism, funding amounts and timing of potential funding measures will be determined by City Council. These decisions, as well as plan adoption are expected in 2017.

The City's transportation system includes over 525 miles of streets with a replacement value of over \$500 million and is the City's largest capital asset. The goal of the pavement preservation program is to eliminate the backlog of streets needing total reconstruction over the next ten years and to prevent additional streets from falling into the reconstruction category of treatment. The annual funding needed to meet this goal is estimated at \$14.6 million for the next ten years and \$11 million each year thereafter.

Funding Sources

The Fiscal Year 2000 capital budget did not include any funding for capital preservation of the street system. At the time, the pavement preservation backlog was estimated at \$53 million. To address the lack of funding for capital preservation of the transportation system, the City Council



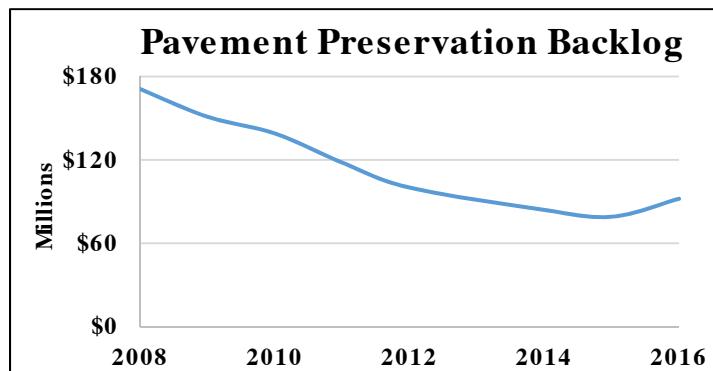
directed the Budget Committee Citizen Subcommittee to study the City's transportation funding issues and report back findings and recommendations to the Council. The Subcommittee concluded that significant additional funding from one or more new, City-controlled revenue sources was needed to preserve the community's investment in its transportation infrastructure.

Subsequently, Council and Eugene voters took action:

- In 2002, City Council passed a resolution prioritizing the use of the reimbursement component of transportation SDCs for pavement preservation. The FY18 budget includes \$425,000 from this funding source for pavement preservation.
- In 2003, City Council adopted a \$0.03 per gallon local fuel tax that was subsequently raised to \$0.05. The FY18 budget includes \$3.1 million from this funding source for pavement preservation.
- In 2005, City Council passed a motion prioritizing preservation of the existing transportation system for flexible federal funds available to the City through the federal Surface Transportation Program – Urban. While this funding source has funded several pavement preservation projects in the past, the FY18 budget does not include any funding from this source.
- In 2008 and 2012, Eugene voters approved street repair bond measures of \$39 million and \$43 million respectively. The FY18 budget includes \$8.9 million from this funding source for pavement preservation.

Making Progress

Since 2002, with the funding sources identified above, the City has repaired over 600 streets, representing over 400 total lane miles. The street repairs have included slurry seals, pavement overlays and total street reconstructions. Prior to the 2008 bond measure, the preservation backlog had increased to \$171 million and was projected to grow to \$270 million by 2016. With additional funding, by the end of 2016, the pavement preservation backlog was estimated at \$92 million.



The City's Pavement Preservation Program continues to be a leader in promoting sustainability and greenhouse gas reduction using construction materials such as warm mix asphalt pavement and recycled asphalt pavement, design standards that focus on long life pavements and rehabilitation, and construction techniques such as in-place road reclamation.

Complete Streets is focused on addressing the needs of all users of the transportation system. While the Pavement Preservation Program is focused on repairing streets, pedestrian, bicyclist and transit user needs have been incorporated in pavement preservation projects with other funding sources, including access ramps compliant with current standards, improved transit stops, median islands with rapid flashing beacons for pedestrian crossings and new bicycle lanes.

Vision Zero is focused on eliminating fatalities and serious injuries on the City's transportation system. Safety improving elements that have been incorporated into pavement preservation projects with alternative funding sources include count down and audible pedestrian signals, enhanced pedestrian crossings and buffered bike lanes.



Buffered bike lane

Information Resources

The City website has several pages related to pavement preservation, project information and program funding:

- Pavement Preservation Program
- Bond Measure to Fix Streets
- Annual Pavement Management Reports
- Information sheets for the current year's projects
- Meeting information, activities and agendas for the citizen Street Repair Review Panel

Moving Forward

At the City Council work session held on March 13, 2017, the City Council directed staff to work with the citizen-led Street Repair Review Panel to develop a street repair bond measure proposal for the November 2017 ballot for Council consideration. Three meetings of the SRRP have been scheduled and a recommendation to the City Council will be presented to the Council later this spring. Council action for a November 2017 ballot measure must be taken before the Council summer break at the end of July.

City Focus: Safe Community/ Community Justice System Attachment E

City Council Goal of Safe Community

Safe Community has been one of the Eugene City Council's goals for a number of years. The Council defined this goal as "a community where all people are safe, valued and welcome." Through a community engagement process several years ago, the Council established several specific outcomes for this goal, which include the following:

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



Community Justice System

Achieving the goal of Safe Community requires proactive, coordinated work of multiple stakeholders, including the Eugene Police Department, Eugene Municipal Court, City Prosecutor's Office, Lane County Circuit Court, Lane County and City of Springfield jails, and social services providers. In response to a number of challenges faced by the system, such as increased case backlog, lengthy case disposition times, high rates of property and behavioral crime recidivism, and insufficient alternatives to jail sanctions, an interdepartmental Community Justice Team was formed in 2015 comprised of City staff from the Eugene Police Department, Central Services Department, City Prosecutor's Office and the Municipal Court. With all parts of the system closely interrelated, a system-wide approach was needed to improve public safety outcomes, rather than simply addressing specific operational deficiencies within organizational silos.

Core System Objectives

The Community Justice Team has established the following objectives in order to increase effectiveness of the community justice system and to make it more responsive to the public safety challenges that are currently facing the Eugene community:

1. Implement community-based problem solving and restorative justice.
2. Reduce crime and recidivism to minimize repeat customers.
3. Provide individualized treatment for community members.
4. Ensure high system cooperation and compatibility.
5. Strive for quick and swift resolution of cases.
6. Involve, listen to and build trust in the community, including victims.
7. Work for system adaptability and ability to re-evaluate and adjust as needed.

Making Progress

Over the past two years, the Community Justice Team has taken a number of steps to achieve these objectives, including but not limited to the following:

City Focus: Safe Community/ Community Justice System Attachment E

- Eugene Municipal Court received a \$200,000 grant to launch a two-year Community Court pilot program to reduce nonviolent crime in the downtown core by matching offenders with social services providers.
- EPD implemented a pilot Community Outreach Response Team (CORT) program to offer a non-jail alternative to help reduce behavioral crime in the downtown patrol area.



Community Outreach Response Team



Community Court graduation

- City Prosecutor's Office capacity has been increased via implementation of the new electronic case management system and providing funding for a limited duration city prosecutor position.
- Staff continue to assess and improve community justice system processes and practices on an ongoing basis, including caseload analysis, case backlog review, analyses of jail bed utilization and other aspects of the system.

Going forward, key financial strategies to support the goals of the community justice system will include the following:

- Identify additional public safety strategies to address behavioral crime in the downtown core.
- Identify options for continuing the Community Outreach Response Team program in EPD.
- Maintain ongoing funding for the additional full-time deputy city prosecutor position.
- Continue to fund the Community Court program beyond the end of the two-year pilot phase.
- Conduct comprehensive analysis of the current system to identify additional opportunities for better resource utilization to improve public safety outcomes in the community.

FY18 Proposed Budget Investments in Safe Community

The FY18 Proposed Budget includes the following strategic investments that support the Safe Community goal:

- \$250,000 in ongoing funding towards closing the Community Justice System funding gaps using new General Fund revenues from the City recreational marijuana tax;
- \$500,000 in one-time General Fund appropriations and \$50,000 in ongoing funding to support the downtown and parks safety and security initiative;
- \$250,000 in one-time General Fund resources to be used to implement body worn cameras in the Eugene Police Department.

Several unmet public safety-related needs are also included in the Unfunded Needs Assessment, including an EPD court liaison position, increase in evidence control unit staffing, and ongoing funding for the CORT program. Several studies conducted over the years indicate that there are significant unmet resource needs in several parts of the Eugene Police Department, including Patrol, Investigations, Central Lane Communications, Data and Records Section and others.

Eugene has a long history of being a track town. In fact, the history is so rich that if asked to put a pin in a map for TrackTown, USA, most will quickly pin Eugene as that place. The legends of Steve Prefontaine and the soles of running shoes pressed in a waffle iron are not just Eugene legends, they are American legends. In 2021, we can celebrate that history while creating new heroes and legends when the World Track and Field Championships come to Eugene and historic Hayward Field.



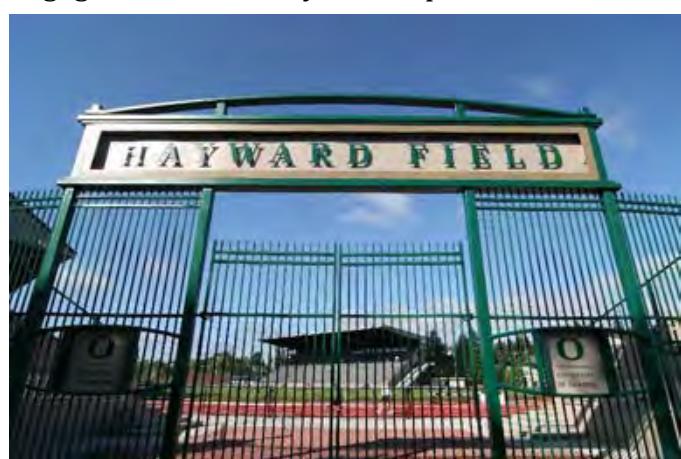
In 2021, the World Championships will be the most viewed and celebrated sporting event in the world and it will be the very first time it has ever been held in the United States. The prior three events will have been hosted in Beijing, London and Doha. The event includes nine days of competition and will attract approximately 2,000 athletes from 214 countries. An estimated 3,000 media and broadcasters will attend and broadcast to more than six billion viewers in over 200 countries. Eugene has an opportunity to inspire the world and generate legacies and memories in every part of our community.

City Goals for 2021

- Build community – imagine, engage, partner, create and advance our community legacy together.
- Invest in ourselves – leverage and catalyze our longstanding hopes and visions for a safe, resilient, beautiful and prosperous city.
- Showcase Eugene – our people, places, ideas and solutions.
- Inspire the world – through experiences, demonstrations, stories, memories...what they see, what they do, what they hear, what they learn and what they remember.

Eugene's goal is to maximize results from existing plans and policies that support the event, engage the community and inspire the world. An example of a legacy project that works in support

of the event and the world's experience in Eugene is the re-development of the riverfront into a world class, uniquely Eugene, urban riverfront experience.



Other adopted priorities include the implementation of the downtown urban renewal projects, improvements and advances in the regional transportation system along with priorities to provide affordable housing and economic prosperity for all community members.

In 2015, shortly after being selected as a host city, the City Council acknowledged the potential economic impact of the event and included it in a list of 13 economic initiatives for increased focus.

What's Happening Now?

Most of the actions to date have been around increasing organizational and community knowledge of the event, building partnerships and generating and organizing ideas for potential implementation. Many see this event and timeline as a significant opportunity to catalyze long standing community visions related to every aspect of livability.

TrackTown, the organization, is the clear lead on developing the plans and strategy of the event and have also recently initiated a series of meetings to engage partners in their work to establish their mission statement and strategic objectives. They have been actively seeking funding through the legislature and existing private and public partners to ensure the event is the world class experience they have envisioned and invited the world to attend.

Planning for the Future

The City Council placed \$500,000 in a reserve for the 2021 Championships in the FY17 Budget, and that reserve is re-budgeted for FY18. The City's Executive Team has developed a set of criteria to determine how those dollars would be recommended for spending to achieve the outcomes outlined above. Specifically, the team has asked staff to consider how we can create an awesome Eugene experience by developing and investing in a legacy of:

- Infrastructure,
- Service quality and capacity,
- Community and organizational culture, and
- Leadership and relationships.



The team has also expressed some urgency with the world's largest deadline approaching in four years by reminding staff that it all needs to be strategically orchestrated to be achieved by 2021.

Many legacy items are underway with existing funds and priority projects such as the downtown visioning work being completed by Project for Public Spaces and installation of high speed fiber. Other important projects will need to be initiated and funded in the next year to ensure implementation by 2021.

For More Information

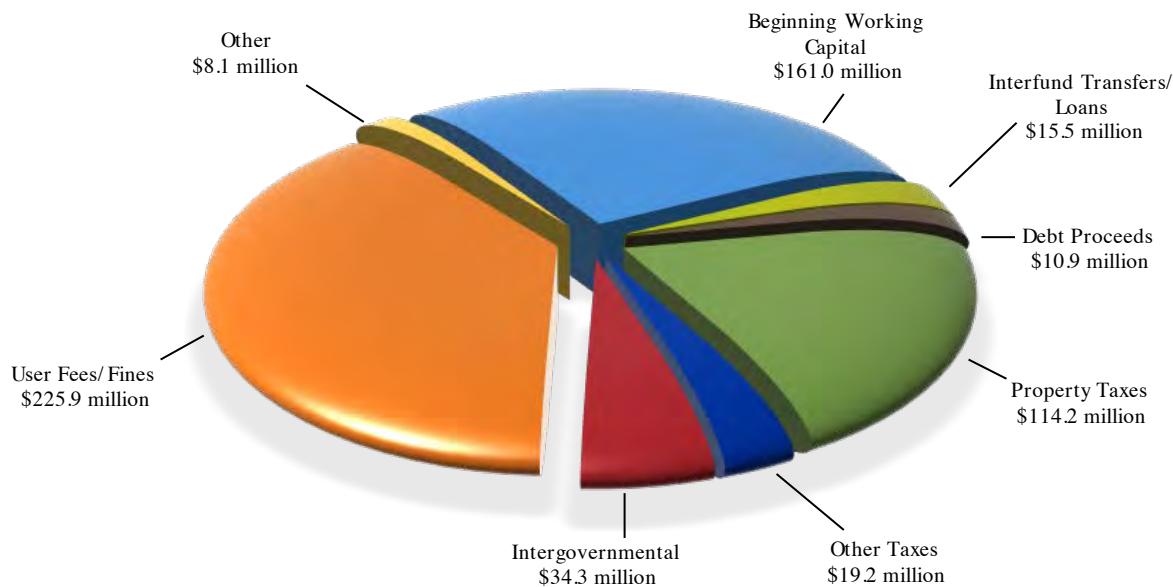
For more information on the event and to sign up for regular newsletter updates visit:
www.gotracktownusa.com/events/2021worldchampionships.

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All Funds Summary

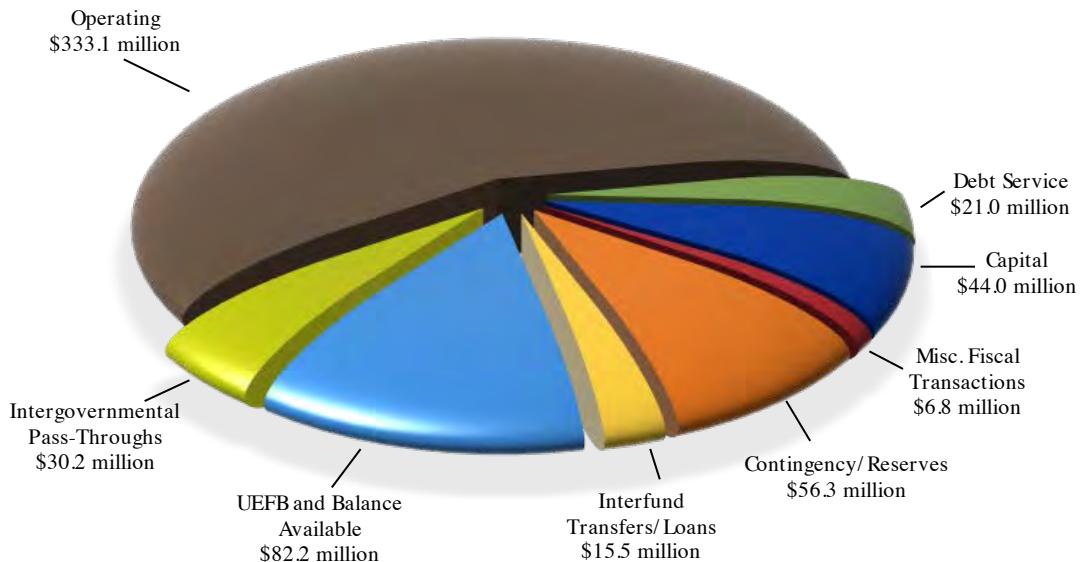
The budget is balanced when resources equal requirements. The total FY18 Proposed Budget for the City of Eugene is \$589.1 million, a 7.0% increase from the FY17 Adopted Budget (excluding reserve for encumbrances and capital carryover).

Total Resources — \$589.1 Million



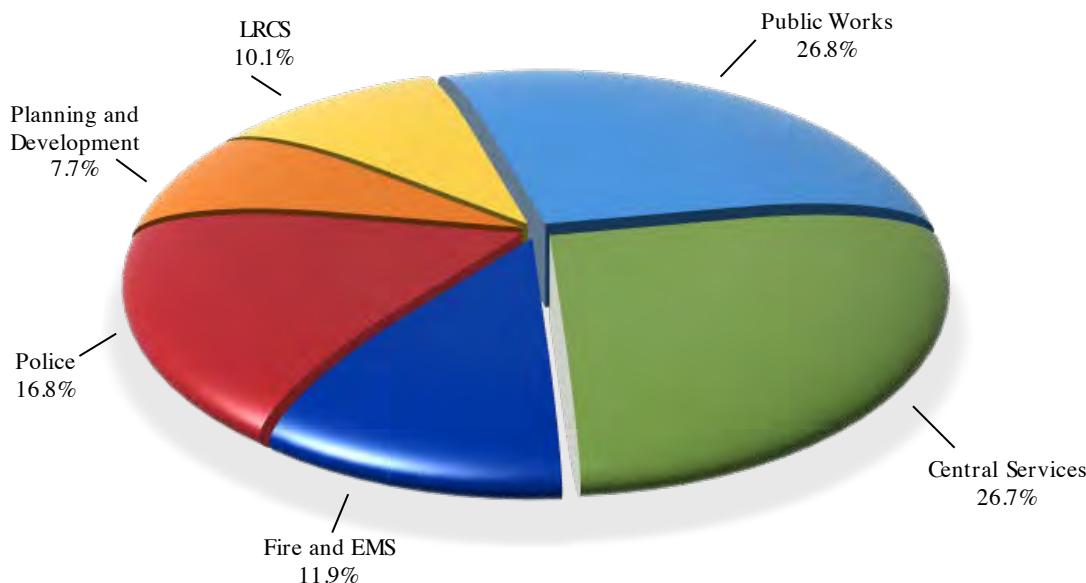
User fees and fines provide 52.8% of the operating revenues in the FY18 Proposed Budget, followed by property tax receipts which provide 26.7% of operating revenues. The largest requirement is for the operating budget at \$333.1 million.

Total Requirements — \$589.1 Million



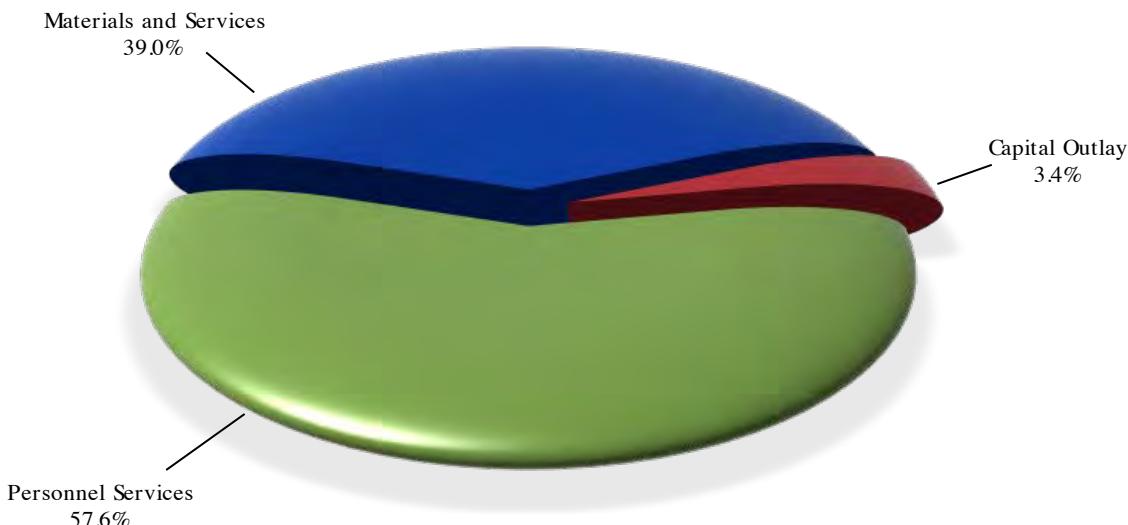
The FY18 Proposed Operating Budget totals \$333.1 million, with Public Works comprising the largest share at 26.8%. Central Services, which includes all of the City's employee benefits as well as citywide information technology and facility maintenance, comprises the second largest share at 26.7%.

Operating Budget by Department – \$333.1 Million All Funds



The operating budget has three components: Personnel Services, Materials and Services, and Capital Outlay. Personnel Services is the largest share at 57.6%.

Operating Budget – \$333.1 Million All Funds



Personnel Services

Personnel Services expenses, which are comprised primarily of wages and fringe benefits, account for 57.6% of operating expenses in the total City budget.

Employee Wages

Budgeted wages are determined by contracts for represented employees and by the Executive Management Team for non-represented employees. Represented employees are budgeted to receive wage increases pursuant to their specific bargaining agreements. Collective bargaining may continue throughout the proposed budget development process. At the time of the FY18 Proposed Budget publication, only the International Association of Fire Fighters - Battalion Chiefs - Local 851 (IAFF-BC) was without a contract in place for FY18. The other bargaining units, including the American Federation of State, County, and Municipal Employees (AFSCME), the Eugene Police Employee Association (EPEA), the International Association of Fire Fighters (IAFF) and International Alliance of Theatrical Stage Employees (IATSE) have contracts in place covering FY18 cost of living adjustments (COLAs) as shown below.

Bargaining Unit	FY18 COLA
AFSCME (American Federation of State, County, and Municipal Employees)	Per contract, 2.0% COLA on 7/1/17
EPEA (Eugene Police Employee Association)	Per contract, 2.0% COLA on 7/1/17
IAFF (International Association of Fire Fighters)	Per contract, 3.0% COLA on 7/1/17
IATSE (International Alliance of Theatrical Stage Employees)	\$0.70 per hour for regular performance rates

The contract with IAFF-BC will expire on June 30, 2017, and is currently in negotiation. Any COLA for non-represented employees will be determined by the City Manager prior to the start of the fiscal year.

Employee Retirement Plan Expenses

Retirement plan expenses are projected to be \$32.3 million in FY18, the second largest component of Personnel Services costs after wages. The FY18 increase in retirement costs for all funds is \$4.3 million, which represents a 15.4% increase from the FY17 Adopted Budget level. Of this amount, \$2.6 million is in the main subfund of the General Fund, and the remaining \$1.7 million is in other funds. Retirement costs include pension program expenses, deferred compensation program expenses and debt service on the pension obligation bonds. The increase in FY18 retirement costs is primarily due to increases in Tier 1/Tier 2 Pension Program contribution rates and Oregon Public Service Retirement Plan (OPSRP) rates, which are set by the Oregon Public Employee Retirement System (PERS) Board, in addition to COLA increases for employee salaries. Retirement costs as a percentage of payroll are expected to continue to increase in FY20 and FY22, due primarily to continued amortization of past service costs, low investment returns and the Oregon Supreme Court PERS ruling issued in April 2015.

Oregon Public Employees Retirement Plan: The City is a participating employer in the Oregon Public Employee Retirement System (PERS). After six full months of employment, all employees of the City are required to participate in PERS. There are three components to the PERS program: Tier 1 and Tier 2 pension program, the OPSRP program and the IAP program. These components are described below.

T1/T2 Pension Programs: Employees hired before August 29, 2003 participate in the “Tier 1” and “Tier 2” pension programs (the “T1/T2 Pension Programs”). The benefits provided through the T1/T2 Pension Programs are based primarily on a defined benefit model and provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to members and their beneficiaries. Different benefit structures apply to participants depending on their date of hire. Employer contributions fund the defined benefit program and employee contributions fund individual retirement accounts under the separate defined contribution program.

OPSRP: The Oregon Public Service Retirement Plan is a successor plan for PERS, created by the Oregon Legislature in 2003. OPSRP is effective for all employees hired on or after August 29, 2003 unless membership was previously established in the T1/T2 Pension Programs. OPSRP is a defined benefit pension plan with a lower benefit level and fewer pension calculation methods that are established by state statutes. The OPSRP pension provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to members and their beneficiaries. Employer contributions fund the defined benefit program and employee contributions fund individual retirement accounts under the separate defined contribution program.

Individual Account Program: In the 2003 legislative session, the Oregon Legislative Assembly created a successor plan for PERS. The Individual Account Program (“IAP”) is a defined contribution pension plan for all PERS and OPSRP members. State statute requires that covered employees contribute 6 percent of their annual covered salary to the IAP plan effective January 1, 2004. Both T1/T2 and OPSRP employees receive an IAP account. Members retire from IAP when they retire from their T1/T2 or OPSRP pension program.

Employer Contribution Rates: The State legislature determines pension system benefit levels and the PERS Board sets employer contribution rates. These rates are adjusted every other year by PERS, leaving the City very little control over its retirement costs. Employer contribution rates are calculated as a percent of covered payroll. The rates are based on the current and projected cost of benefits and the anticipated level of funding available. Contribution rates are subject to future adjustment based on factors such as the result of subsequent actuarial valuations, litigation, decisions by the Public Employees Retirement Board and changes in benefits resulting from legislative modifications.

Employee Contributions: Employees are required to contribute six percent of their annual salary to the IAP. Employers are allowed to pay the employees’ contribution in addition to the required employers’ contribution. The City has elected to make the employee contribution, except the City does not make the contribution for the employees represented by the IAFF and IAFF Battalion Chiefs unions.

Pension Obligation Bonds and Deferred Compensation Program: The FY18 Proposed Budget pension bond rate of 6.00% is the same as the FY17 rate. The City’s pension obligation bonds were issued in FY02 to pay off the estimated unfunded PERS actuarial liability at that time. The City has

a Deferred Compensation Program for AFSCME, EPEA and non-represented employees. The employer match rates are shown in the table below.

The City's PERS Contribution Rates: The FY18 PERS rates as a percentage of payroll will increase in FY18. The table below shows the City's contribution rates for all retirement costs including Tier 1/ Tier 2, OPSRP General Service employees, OPSRP for Police and Fire employees, the pension obligation bonds and the Deferred Compensation Program. Approximately 60% of the City's employees are currently in the OPSRP system.

Retirement Costs: The table below sets out the range of retirement costs in the current year of the Proposed Budget year.

Retirement Cost	FY17 % of Payroll	FY18 % of Payroll
Employer Share		
Tiers 1 and 2	17.50%	21.40%
OPSRP General	10.05%	12.38%
OPSRP Police and Fire	14.16%	17.15%
Employee Share *	6.00%	6.00%
Pension Bond	6.00%	6.00%
Deferred Compensation Match		
AFSCME	2.00%	2.00%
EPEA	0.00%	1.00%
Non-Represented	3.00%	3.00%
Total Retirement Cost Range	24.05% - 32.50%	27.38% - 36.40%

*Paid by the City except for IAFF and IAFF Battalion Chief members, who pay the employee share of PERS/ OPSRP costs.

Employee Health Care

Health benefits, budgeted at \$29.6 million in FY18, are the third largest component of Personnel Services expenses after wages and retirement costs. The FY18 Proposed Budget for health benefits represents an increase of \$2.1 million, or 7.8%, from the FY17 Adopted Budget. This increase is due to the increases in health insurance premiums, attributable to rising costs in the healthcare market as well as additional positions added in this budget. Total health plan costs as a percentage of wages has remained stable since FY13. One of the City's key long-term strategies to control future health care costs is improving and maintaining the health of its employees and their families. The City has been recognized for the last seven years as one of Oregon's healthiest employers by the Portland Business Journal for innovative worksite wellness initiatives.

City employees pay a portion of the cost of health insurance. The table below summarizes FY18 employee contributions towards health care coverage by bargaining unit.

Employee Group	FY18 Employee Share of Health Insurance Premium
AFSCME (American Federation of State, County, and Municipal Employees)	8% of health insurance premium for the City Health Plan (PPO) and the City Managed Care Plan (POS), or 4% of the premium for the City Hybrid Plan (POS)
EPEA (Eugene Police Employees Association)	5% of health insurance premium up to contracted maximums
IAFF (International Association of Fire Fighters)	5% of health insurance premium
IAFF-BC* (International Association of Fire Fighters, Battalion Chiefs)	5% of health insurance premium
IATSE (International Alliance of Theatrical Stage Employees)	8% of health insurance premium for the City Health Plan (PPO) and the City Managed Care Plan (POS) or 4% of the premium for the City Hybrid Plan (POS)
Non-Represented Employees	8% of health insurance premium for the City Health Plan (PPO) and the City Managed Care Plan (POS), or 4% of the premium for the City Hybrid Plan (POS)

*IAFF-BC did not have a contract in place covering FY18 at the time of Proposed Budget development. The FY18 Employee Share of Health Insurance Premium for this group is based on current contract provisions.

Materials and Services Inflation

The inflation increase for Materials and Services is projected to be 2.5% in FY18. This increase is based on the State of Oregon forecast for the FY18 Consumer Price Index for All Urban Consumers (CPI-U) as of September 2016. The total departmental materials and services budget for FY18 for all funds is \$129.7 million. This is \$5.1 million, or approximately 4.1%, more than the FY17 Adopted Budget (excluding reserve for encumbrances and capital carryover). In the General Fund, Materials and Services is projected to increase by \$2.3 million or 6.5%. These increases are largely due to one-time funding items, rises in internal service fund rates and increased professional and contractual services.

Capital Outlay

Capital Outlay is budgeted at \$11.5 million for FY18, which is unchanged from the FY17 Adopted Budget. Capital Outlay is best defined as budgeted departmental expenditures for materials and supplies with a useful life of more than one year and a cost greater than \$5,000, such as specialized computer equipment.

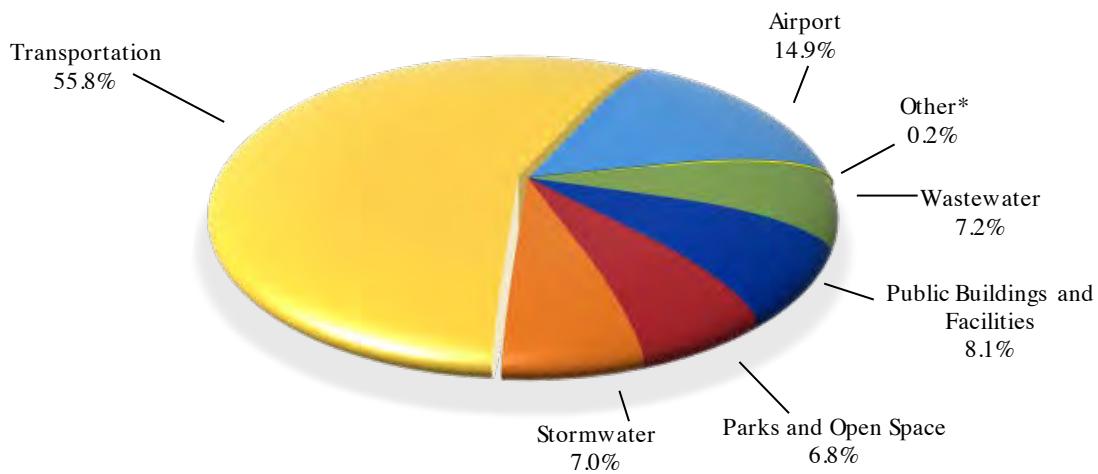
Capital Budget

Preparation of the Proposed Capital Budget is guided by the City's Capital Improvement Program (CIP). The CIP forecasts the City's capital needs over a six-year period based on various long-range plans, goals and policies, as well as projected availability of funding from various sources. The CIP is updated every two years and is reviewed by citizens, the Budget Committee and the City Council. The FY18 Proposed Capital Budget is based on the first year of the FY18-23 CIP that was adopted by City Council on March 13, 2017.

The FY18 Proposed Budget for new capital projects is \$44.0 million, an increase of \$2.6 million, or 6.3%, from the FY17 Adopted Budget, excluding prior year carryovers. Capital projects are usually budgeted in their entirety during the first year, and unspent appropriation balances are carried forward from year to year for those projects that require multiple years to complete. Capital spending can change dramatically from year to year due to the size of projects initiated, the length of time to complete the projects and the resources available, especially those from Federal and State sources.

Capital projects are organized into six main project categories. The Transportation and Airport categories comprise over 70% of the FY18 Proposed Capital Budget:

**Capital Budget — \$44.0 Million
All Funds**



*Other refers to \$108,472 for a housing development acquisition by the Planning and Development Department.

The total Proposed Capital Budget by category and some of the larger FY18 capital projects are as follows:

- **Airport - \$6.6 million**, including \$3.1 million for access control upgrades, \$2.0 million for the terminal building roof replacement, \$550,000 for the Airport Master Plan update and \$401,000 for Taxiway Alpha rehabilitation.
- **Parks and Open Space - \$3.0 million**, including \$1.0 million to develop Priority 1 Neighborhood Parks, \$1.0 million for site renovations and rehabilitation and \$750,000 for neighborhood and community parks acquisition.
- **Public Buildings and Facilities - \$3.6 million**, including \$1.9 million dedicated to the preservation of existing building systems, \$499,000 on health, safety and welfare improvements, \$375,000 for improvements to the Atrium Building, \$254,000 for general site and facility improvements and \$250,000 for parking structure upgrades and rehabilitation.
- **Stormwater - \$3.1 million**, including \$850,000 for stormwater rehabilitation activities, \$550,000 for wetland mitigation bank projects, \$500,000 for the drywell elimination program, \$500,000 for Amazon Creek restoration and \$400,000 for water quality improvements.
- **Transportation - \$24.6 million**, including \$8.9 million for street rehabilitation related to the 2012 street bonds, \$5.8 million for the Ferry Street Bridge and viaduct repair, \$3.8 million for the Pavement Preservation Program, \$3.0 million for a 13th Avenue two-way protected bikeway and \$2.1 million for River Road at Irving Road safety improvements.
- **Wastewater - \$3.2 million**, including \$1.5 million for rehabilitation of the wastewater system and \$1.0 million for the West Irwin Pump Station rehabilitation.

Budget Summary

Impact on Taxpayers

Permanent Tax Rate – The City of Eugene levies its permanent tax rate of \$7.0058 per \$1,000 of taxable assessed value; although the effective tax rate paid in FY18 is expected to be about \$6.87 per \$1,000 of assessed value due to the impact of urban renewal tax increment calculations. In addition, voters have approved other special property tax levies as described below.

Local Option Levy – In November 2015, voters approved a five-year local option property tax levy for Library Operations, in the amount of \$2.7 million annually, to expand hours and services from FY17 through FY21. The estimated levy tax rate in FY18 is \$0.18 per \$1,000 of assessed value.

Debt Levies – Voters have authorized the following General Obligation bonds that are repaid with property taxes:

- In November 2012, a five-year street repair bond issue in the amount of \$43 million was approved to fix 76 streets and provide funding for bicycle and pedestrian projects.
 - In November 2006, \$27.5 million was approved for parks, athletic fields and open space preservation.
 - In May 2002, \$8.7 million was approved for construction of a downtown fire station located at 13th Avenue and Willamette Street.
 - In November 1998, \$25.3 million was approved for parks and open space projects.

The estimated tax rate to pay this debt in FY18 is \$0.94 per \$1,000 of taxable assessed value, slightly lower than the debt tax rate of \$0.97 in FY17.

Total Taxes – The estimated total taxes for the City of Eugene and the Eugene Urban Renewal Agency for a typical home, which include voter-approved levies and the Urban Renewal Districts, are expected to increase by \$42 in FY18. This increase is due to projected growth in the assessed taxable value of a typical Eugene home.

City and Urban Renewal Taxes for a Typical Eugene Home

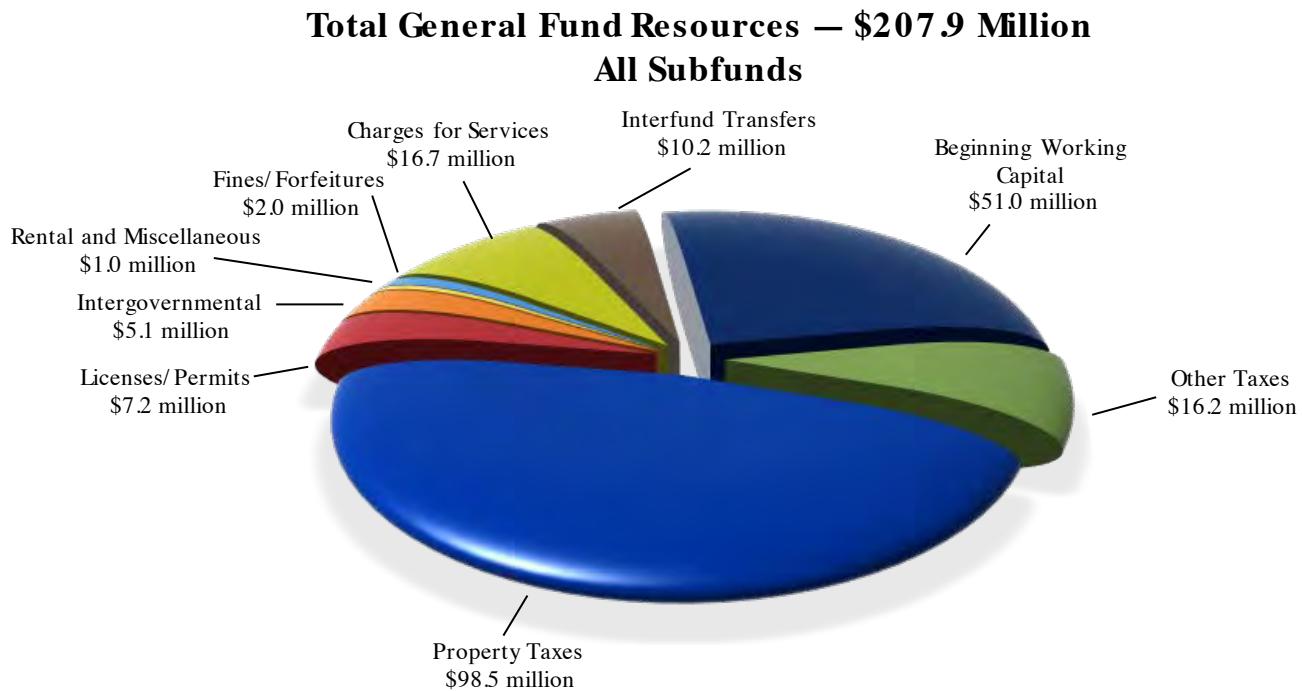
	FY17	FY18
	Estimate	
City Permanent Operating Levy	\$1,346	\$1,386
City Local Option Levy for Library Operations (FY17-21)	37	36
City Debt Taxes	189	189
Total City Taxes	1,572	1,611
Urban Renewal Agency Taxes	64	67
Total Taxes	\$1,636	\$1,678

Assessed taxable value of a typical Eugene home* \$195,913 \$201,790

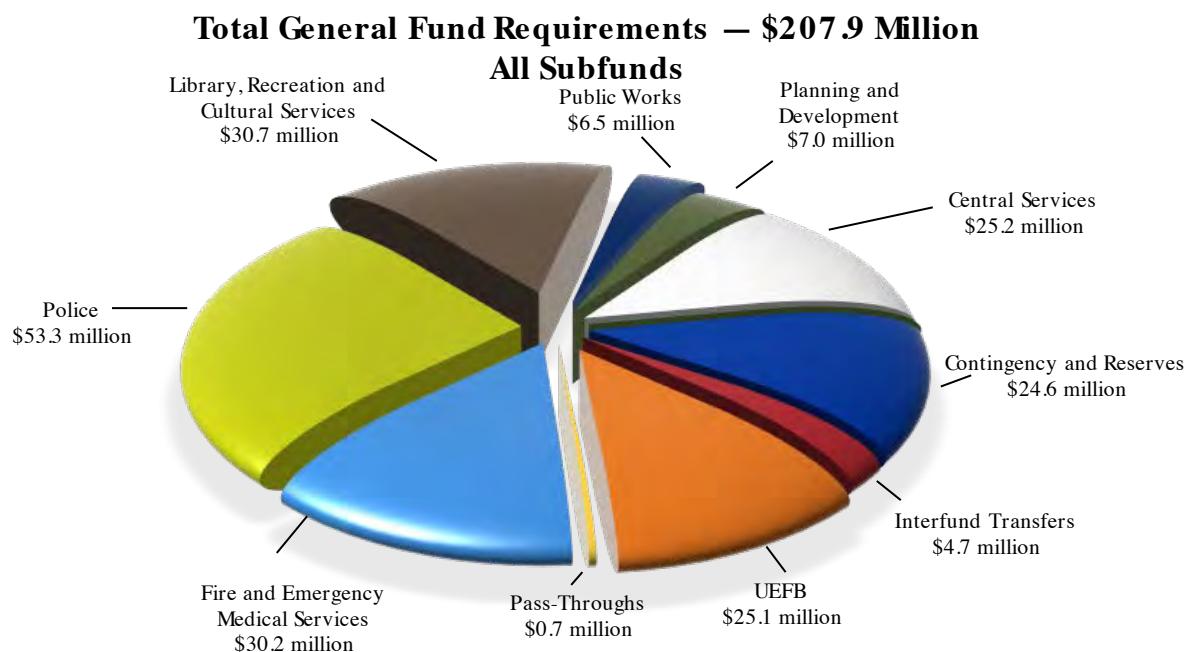
* FY17 value provided by Lane County Assessment & Taxation; assumed increase of 3% for FY18.

The tax bill includes the Downtown and Riverfront Urban Renewal Districts. These are not added costs to taxpayers, but represent a redistribution of taxes from other overlapping taxing districts.

The General Fund is made up of three subfunds: the Main Subfund (\$197.4 million), the Cultural Services subfund (\$9.6 million), and the Equipment Replacement subfund (\$0.9 million). Property taxes continue to remain the largest revenue source in the General Fund, representing 47.4% of General Fund total resources, and 62.8% of revenues (excluding carryover balance):



The total FY18 Proposed General Fund budget of \$207.9 million is \$24.0 million, or 13.1% higher than the FY17 Adopted Budget, excluding the \$2.3 million prior year reserve for encumbrance for comparison.

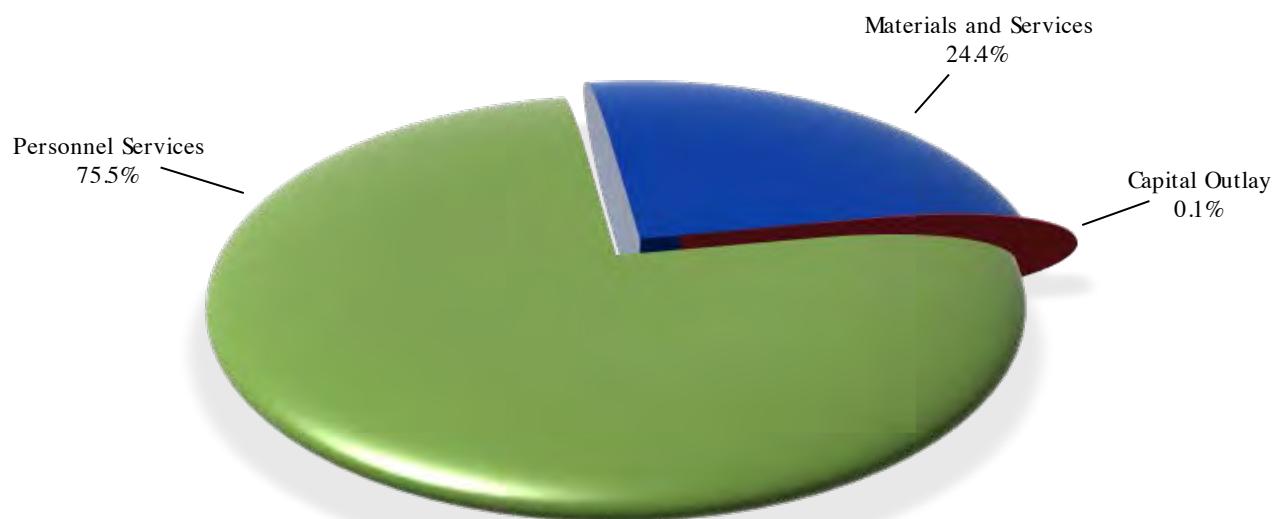


The main reason for the large General Fund budget increase in FY18 is that more funds carried over from the prior fiscal year than typically occurs, including reserves (See General Fund Reserves section for more explanation).

The FY18 Proposed General Fund departmental operating budget is \$152.9 million, which is approximately \$8.0 million, or 5.5%, more than the FY17 Adopted Budget. The increase is due to normal inflationary budget increases such as cost of living adjustments and increases in pension costs and health benefit premiums. Also included is \$1.2 million in one-time or limited duration costs associated with body-worn cameras for the Police Department, Envision Eugene, Downtown and Urban Parks improvements, increased contract costs for operation of the First Avenue Animal Shelter, and the Veterans Affairs Clinic System Development Charges repayment.

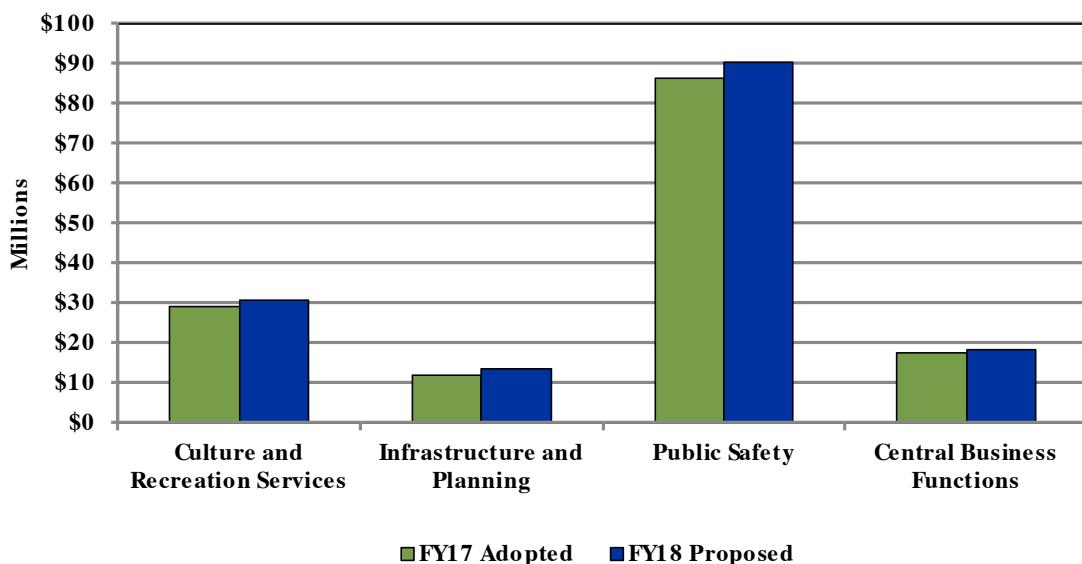
The services provided by the City rely heavily on employees who are fire fighters, police officers, librarians, planners and so on. As a result, personnel services costs comprise nearly 76% of the FY18 proposed operating budget for the General Fund, as seen in the following chart:

**General Fund Operating Budget – \$152.9 Million
All Subfunds**



The largest use of General Fund dollars is for the Police Department, which accounts for \$53.3 million, followed by the Library, Recreation and Cultural Services Department at \$30.7 million. The Fire and Emergency Medical Services Department is the third largest recipient of General Fund dollars at \$30.2 million. The two public safety departments represent 54.6% of the total General Fund operating budget.

Service Budget Comparison General Fund — All Subfunds



The change in operating budget by department is shown below. (See Department View section of the Proposed Budget document for more detailed explanation of the changes below.)

General Fund (All Subfunds) Operating Budget Summary by Department

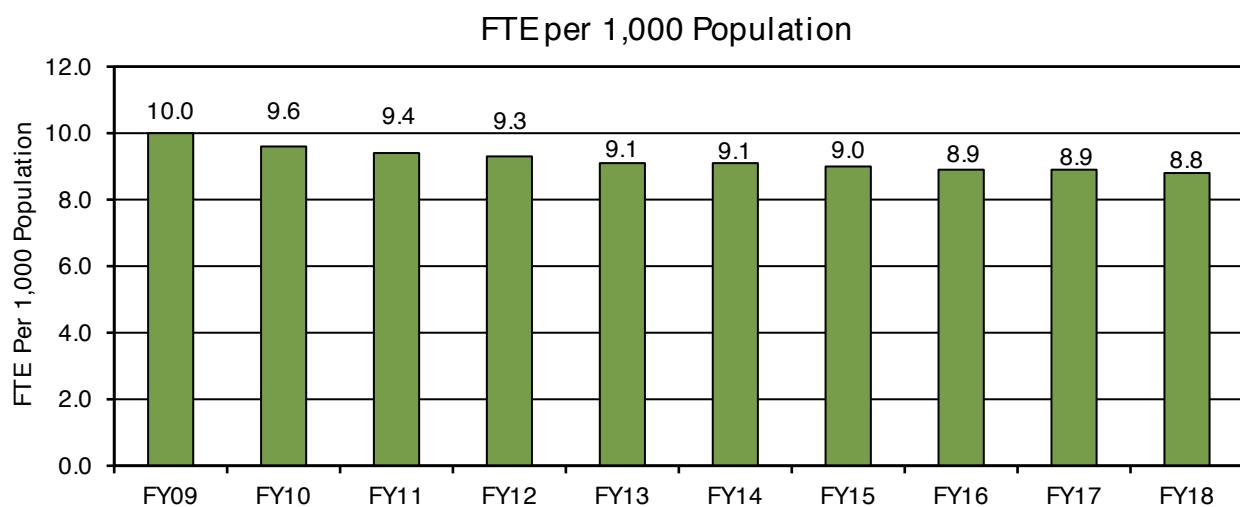
Department	FY17 Adopted Budget	FY18 Proposed Budget	FY17-FY18 Change
Central Services	\$23,837,327	\$25,173,689	5.6%
Fire and EMS	28,595,704	30,238,972	5.7%
Library, Recreation and Cultural Services	28,980,020	30,731,736	6.0%
Planning and Development	6,344,533	7,049,245	11.1%
Police	51,252,004	53,279,325	4.0%
Public Works	5,975,207	6,463,030	8.2%
Total	\$144,984,795	\$152,935,997	5.5%

Personnel services comprise nearly 60% of the City's total operating budget and nearly 76% of the General Fund operating budget. Between FY09 and FY15, the City reduced its organizational footprint by over 100 Full Time Equivalent (FTE) positions through a variety of approaches, including elimination of vacancies, voluntary severances, streamlining operations, service level reductions and changes in service delivery models. Even as the population and corresponding demand for municipal services grew by 4.0% from FY09 to FY15, the City's position count was reduced by 7.1% over this period.

Since FY15, positions have been added in FY16 and FY17 to meet increased service demands in various service areas. The largest increase was for the Library Levy, which was approved by voters in November 2015. The levy added 18.40 new FTE in FY17, and an increase in Hult Center performances also led to an additional 4.88 FTE in FY17. The FY18 Proposed Budget includes 12.80 additional FTE positions, with 5.80 FTE in the General Fund. Despite a projected increase in the number of FTE in FY18, the ratio of FTE per 1,000 population is expected to decline as the city's population continues to grow.

Year	Eugene Population	FTE	FTE per 1,000 Population
FY14	159,580	1,449.21	9.1
FY15	160,755	1,440.11	9.0
FY16	163,400	1,446.36	8.9
FY17, as of 12/31/2016	165,885	1,473.99	8.9
FY18 Proposed	168,331	1,486.79	8.8

Over the past 10 years, the ratio of City FTEs per 1,000 of population has declined from a high point of 10.0 in FY09 to 8.8 in the FY18 Proposed Budget. Although the number of FTE is projected to increase in FY18, the ratio of FTE per 1,000 population continues to decline.



The FY18 Proposed Budget (all funds) includes 12.80 additional FTE. The additional FTE positions by department are shown below.

Planning and Development, 8.0 FTE

- 1.0 FTE Associate Planner
- 1.0 FTE Structural Engineer Plans Reviewer
- 0.5 FTE Executive Director position increased to full time
- 1.0 FTE Plumbing Inspector
- 0.5 FTE Business Intelligence Analyst for Parking Services
- 3.0 FTE Downtown and Riverfront Urban Renewal project management
- 1.0 FTE Business Liaison

Public Works, 3.0 FTE

- 1.0 FTE Airport Worker
- 1.0 FTE Utility Locate Technical Specialist
- 1.0 FTE Utility Administration Program Coordinator position

Central Services, 1.8 FTE

- 0.8 FTE Police Auditor's Office Community Engagement Specialist
- 0.5 FTE Assistant City Manager position increased to full time
- 0.5 FTE Emergency Management Analyst in Risk Services

The following summary provides a breakdown of FTE changes by department since FY14:

Department	FY14 Actual	FY15 Actual	FY16 Actual	FY17 12/31/2016	FY18 Proposed	Change FY14-FY18
Central Services	220.00	217.50	218.75	220.75	222.55	1.2%
Fire and Emergency Medical Services	205.00	205.00	206.00	206.00	206.00	0.5%
Library, Recreation and Cultural Services	177.25	172.80	172.80	196.08	196.08	10.6%
Planning and Development	97.55	95.40	98.40	99.65	107.65	10.4%
Police	327.16	328.16	328.16	328.16	328.16	0.3%
Public Works	422.25	421.25	422.25	423.35	426.35	1.0%
TOTAL	1,449.21	1,440.11	1,446.36	1,473.99	1,486.79	2.6%

Basis of Budgeting and Budgeting Principles

A legally adopted budget is required by state law for all funds of the City. The legal level of budgetary control within each fund is at the following levels: current departmental requirements, debt service, capital projects, interfund transfers and special payments. Expenditures cannot legally exceed appropriations at these control levels. Council may amend the budget by adopting supplemental budgetary appropriations during the course of the year.

The City of Eugene maintains accounting records on a budget basis as well as a Generally Accepted Accounting Principles (GAAP) basis. Budgets for all City funds are essentially prepared on a modified accrual basis consistent with GAAP, except to the extent they also include various revenues and expenditures which, according to state law, are required to be accounted for on a basis other than GAAP. Under the GAAP modified accrual basis of accounting, revenues are recorded when they are both measurable and collectible during the current period (or shortly after the end of the period). Modified accrual expenditures are generally recognized when the liability is incurred, with the notable exception of interest on general long-term debt.

For transactions that were initially recorded in compliance with Oregon Local Budget Law, adjustments may be required for GAAP basis reporting. For example, disbursements for prepaid expenditures and for the acquisition of proprietary fund capital assets are considered expenditures under Oregon Local Budget Law but would not be reported as current year GAAP expenditures. Conversely, receipts of proceeds of proprietary fund debt financing and principal payments received on interfund loans are examples of budgetary resources that would not be reported as revenues under GAAP.

Encumbrance accounting is employed for administrative control in all funds. Encumbrances are established for the estimated purchase amounts prior to the release of purchase orders to vendors and for construction contracts upon bid award. Purchase orders that would result in budgetary over expenditures are not released until budgetary authority has been arranged, as appropriate. Encumbrances outstanding at year end do not constitute expenditures or liabilities. Such encumbrances are cancelled and, if appropriate, are then re-encumbered against the new year's budget, based on allowable appropriations.

Financial Management

It is the responsibility of City staff, in particular the Finance Division, to monitor the City's financial status. Revenues and expenditures are monitored continually to determine whether resources are materializing as projected and to ensure that expenditures do not exceed allowable limits. Supplemental budgets are designed to facilitate the review and adjustment process necessary to ensure expenditures do not exceed legal spending limits.

City staff takes an active role in investing available cash balances. The City has an investment policy designed to ensure that the public's monies are invested in a manner that is safe, secure and available when needed, while also yielding market rates of return.

Debt Management

The City issues both short-term and long-term debt. Short-term notes or a line of credit are issued for construction-period financing for some capital improvements. The notes are repaid from the sale of long-term bonds or from property tax levies for General Obligation bonds. The City does not borrow on a short-term basis to support ongoing operations. The Non-Departmental Debt Service Section provides further details regarding the City's outstanding debt.

The Financial Management Goals and Policies for the City of Eugene provide the framework and direction for financial planning and decision-making by the City Council, City Boards, Commissions and Committees, and City staff. They are designed to ensure the financial integrity of the City and a service delivery system that addresses the needs and desires of Eugene's citizens. Policies are periodically updated to reflect changes in Council policy, legal and professional requirements and changes in accepted industry practices.

Prudent management of Eugene's financial resources allows for the continued ability to provide municipal services, including both operating services and infrastructure maintenance and enhancement. The management of municipal resources is complex. Competent financial management is needed to make effective and efficient use of City resources, while ensuring the security of City assets. An important process for assuring that financial management is both consistent and rational is the adoption of financial management goals and policies.

NOTE: If the City Council chooses to deviate from any policy, it will propose a motion waiving the particular policy in question at one meeting, as it relates to a specific issue, and adopt the motion at a subsequent meeting, stating the reason for the waiver. Any waiver will be communicated to the Budget Committee with appropriate background material. This process was adopted by the City Council on April 8, 1996.

A. Resource Planning and Allocation Policies

Policy A.1. (*City Council Goals and Policies*)

The City budget will support City Council goals and policies, Council-adopted long-range plans and service needs of the community.

Policy A.2. (*Reporting and Control*)

The City will maintain financial systems which will develop budgets, provide control and report revenues and expenditures at the line-item detail.

Policy A.3. (*Service Budgeting*)

The City will budget and report actual expenditures by service, as well as by fund and organizational unit.

Policy A.4. (*Service Priorities*)

Operating and Capital budgets, which reflect Council-adopted service levels, will be prepared by the City Manager and reviewed by the Budget Committee, consistent with the following municipal service priorities:

- a. Service Level 1. Preserve the public safety system, which includes the Police, Fire and Emergency Services, Municipal Court and the Intergovernmental Human Services program.
- b. Service Level 2. Maintain and replace the City's fixed assets, which include equipment, infrastructure and facilities, so as to optimize their life.
- c. Service 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.
- d. Service Level 4. Provide affordable housing, specialized services for the less advantaged population, land use permits, and cultural, educational and recreational services.
- e. Service 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.

Policy A.5. (*Operating and Capital Budgets*)

The relationship between the Operating and Capital budgets will be explicitly recognized and incorporated into the budget process. Funding for the Operating and Capital budgets shall be sufficient to provide for operating services and maintenance or enhancement of fixed assets needed to support City services.

Policy A.6. (*Revenue and Expenditure Projections*)

Revenues, operating and capital expenditures, and debt service will be projected each year for at least the succeeding six years.

Policy A.7. (*New Program Funding*)

Prior to authorizing funds for a new program, Council will receive an estimate of fiscal impact from the City Manager.

B. Accounting and Financial Practices Policies

Policy B.1. (*Accounting and Financial Reporting System*)

The City will maintain an accounting and financial reporting system that allows reporting in conformance with Generally Accepted Accounting Principles and Oregon Local Budget Law, issuing a Comprehensive Annual Financial Report each fiscal year.

Policy B.2. (*Fund Management*)

The City will manage its funds as independent financial entities in accordance with legal, administrative and Generally Accepted Accounting Principles, ensuring that funds are not commingled.

Policy B.3. (*Cost Allocation Plan*)

The City will annually prepare an internal Cost Allocation Plan (CAP). The CAP's purpose is to determine the cost of providing central business management services, or indirect costs,

to the City's various funds. These indirect costs will be recovered from Non-General funds through the Central Services Allocation. This practice ensures the cost of General Fund central business management services are paid by Non-General funds receiving those services.

Policy B.4. (*Enterprise Funds*)

Whenever financially feasible, business-type activities, which receive their funding principally through user charges, will be established as Enterprise Funds, if doing so will facilitate rate-setting for cost recovery and provide information to determine the efficiency and effectiveness of operations.

Policy B.5. (*Contingency Funds*)

Each fund, as appropriate, will maintain a contingency account to meet unanticipated requirements during the budget year.

Policy B.6. (*Cash Balance and Financing*)

Each fund will maintain an adequate cash balance, borrow internally from another City fund or, as a last resort, borrow externally to provide for cash flow requirements.

Policy B.7. (*Unappropriated Ending Fund Balance*)

In order to maintain a prudent level of reserves in the General Fund and any local option levy funds, the target amount of Unappropriated Ending Fund Balance to be budgeted shall be at least two months of operating expenses (excluding reserves and contingency).

Policy B.8. (*Replacement Accounts*)

The City will develop and fund replacement accounts for the City's fixed assets.

Policy B.9. (*Non-Dedicated Revenues*)

With the exception of grants or earmarked donations, the City will not normally earmark revenue for specific public purposes in general service funds such as the General Fund.

Policy B.10. (*Reserve Accounts, Non-Departmental*)

Non-Departmental Reserve accounts will be used for non-departmental resources designated for specific purposes. Appropriation by City Council is required prior to expenditure of funds.

Policy B.11. (*Marginal Beginning Working Capital*)

The highest priorities for use of Marginal Beginning Working Capital (difference between Actual Ending Working Capital in the prior year and Budgeted Beginning Working Capital in the current year) are: General Capital Projects Fund; Unappropriated Ending Fund Balance (up to target amount as defined in Policy B.7); and General Fund Contingency, (not in priority order).

C. Revenue and Collection Policies

Policy C.1. (*Revenue Base*)

The City will work to diversify the supporting revenue base in the General Fund.

Policy C2. (*Cost Recovery – Fee Supported Services*)

The City Council will establish cost recovery policies for fee-supported services that consider the relative public/private benefits received from the services being provided and/or the desirability of providing access to services for specialized populations. These policies will determine the percent range of full service costs to be recovered through fees. The level of cost recovery will be routinely adjusted to ensure that rates are current, equitable, competitive and cover that percentage of the total cost deemed appropriate.

Policy C3. (*Serial Tax Levies*)

To the maximum extent possible, serial tax levies will be used only for time-limited operating services or for capital improvements subject to the rate limitation for non-school governments.

Policy C4. (*Dedicated Revenue – Capital Projects*)

To the maximum extent possible, the City will secure a dedicated revenue source to fund general and storm sewer capital projects.

Policy C5. (*Foreclosure on Delinquent Accounts*)

Properties foreclosed under the Assessment Program and other programs that use foreclosure as a collection device, such as the Systems Development Charges Program, will be managed and disposed of in such a manner so as to attempt to reimburse the program for all direct and indirect costs incurred and not to disrupt the private real estate marketplace.

Policy C6. (*Non-Recurring Revenue*)

Except for local option levies approved by the voters, the City will use non-recurring revenue on limited-duration services, capital projects, equipment requirements or services that can be terminated without significant disruption to the community or City organization.

D. Capital Improvements Policies

Policy D.1. (*Capital Improvement Program*)

The City will plan for capital improvements over a multi-year period of time. The Capital Improvement Program will directly relate to the long-range plans and policies of the City. Operating funds to maintain capital improvements and to fund additional staff and service needs will be estimated and identified prior to making the decision to undertake specific capital improvements.

Policy D.2. (*Revenue Bonds – Capital Projects*)

Whenever a service is an enterprise or utility-based operation, and where the ratepayer directly benefits, the City will work to finance capital improvements by using self-supporting revenue bonds, which could be General Obligation-backed.

Policy D.3. (*General Obligation Bonds – Capital Projects*)

Use of General Obligation bonds will be limited to major capital construction or improvements as defined in ORS 310.140 in support of general municipal services.

Policy D.4. (*Assessments Bonds – Capital Projects*)

Financing of infrastructure improvements through use of Assessment bonds will be limited to those projects where the required assessed value-to-assessment ratio is met and to the extent the City's financial position permits the use of this financing device.

Policy D.5. (*City's Physical Assets*)

To maintain the City's physical assets, a current inventory of all of the City's physical assets and their condition and maintenance costs will be maintained.

Policy D.6. (*Sinking Funds*)

Council will make a specific determination whether to establish a replacement reserve sinking fund when creating an asset with a value in excess of \$1 million and a useful life in excess of 10 years.

E. Debt and Investment Management Policies

Policy E.1. (*Bond Rating*)

The City will seek to maintain and, if possible, improve its current Aa1 bond rating so its borrowing costs are minimized, and its access to credit is preserved.

Policy E.2. (*Debt Issuance Guidelines*)

The City will have a specific set of debt issuance guidelines consistent with Federal, State, and local laws and policies.

Policy E.3. (*Investments*)

When making investments, the City will follow State law and local investment guidelines and shall abide by the following criteria in priority order:

- a. Preservation of capital
- b. Maintenance of a liquid position
- c. Maximum yield

F. Organizational Policies

Policy F.1. (*Organizational Structure Reviews*)

The City Manager will review the organizational structure at frequent intervals to assure that it is responsive to current conditions and minimizes service duplication in the organization and with other local government jurisdictions.

Policy F.2. (*City Employment Force Funding*)

The City will provide adequate funding to stabilize the City employment force to minimize uncertainty about the continuity of the service delivery system.

Policy F.3. (*Staffing Levels*)

The City will match job classifications and number of positions to the service delivery system and will communicate service and staff adjustments to the public and parties affected by changes.

Policy F.4. (*Service Levels and Performance Standards*)

The City Council will adopt service levels and performance standards that reflect community expectations and requirements set by other levels of government. The City is committed to examining how it provides services so that service levels and performance standards are met or exceeded at the least cost to the public.

Policy F.5. (*Market Based Employee Compensation*)

Consistent with available resources, employee compensation will be market based, comparable to public and private sector compensation paid in the relevant recruiting area.

Policy F.6. (*Evaluation of Service Delivery System*)

The City will routinely evaluate both its administrative and direct service delivery systems, according to established efficiency and effectiveness criteria, to determine whether a service should be provided by the City, agreement with another provider or eliminated due to changes in community requirements.

Policy F.7. (*Intergovernmental Contracts*)

The City will evaluate its use of intergovernmental service contracts to prevent duplication of services in overlapping jurisdictions and to assure an effective and efficient service delivery system to the community.

Policy F.8. (*Multi-Agency Service Reviews*)

The City will participate in multi-agency reviews (including local government, public utilities, school districts and not-for-profit agencies) to evaluate and change service systems to ensure optimal use of public funds.

G. Other Policies

Policy G.1. (*Compliance with Laws and Standards*)

The City will comply with mandatory Federal, State, and local laws and regulations and, when appropriate, will comply with industry and professional requirements or standards.

Policy G.2. (*Budget Committee*)

A Budget Committee will be appointed in conformance with ORS 294.335 and Eugene Code 2.013. Lay members of the Budget Committee serve for terms of three years. The Budget Committee's chief purpose is to review the City Manager's Proposed Budget and prepare a recommendation for Council consideration. The Budget Committee may consider and develop recommendations on other financial issues at the direction of City Council.

Policy G.3. (*Supplemental Budgets*)

After adoption of the City's annual budget, the Council will process supplemental budgets in compliance with ORS 294.480 as needed to keep the budget reflective of the current service environment and to ensure that the appropriations are as current as possible.

Policy G.4. (*Related Entities*)

Entities established or sanctioned by the City Council, for which the City is deemed to be "financially accountable," will comply with the Eugene Code and City Council-adopted

policies and procedures and will be accountable for operational and financial compliance and reporting standards as established by the Council or its designee.

Debt Issuance Guidelines

(Revisions approved by City Council on May 14, 2007)

The following debt issuance guidelines apply to debt issued by the City of Eugene and the Eugene Urban Renewal Agency.

Credit Worthiness

1. The City will seek to maintain and, when feasible, improve its credit rating so its borrowing costs are minimized and its access to credit is preserved and enhanced.
2. The City will maintain good communications about its financial condition with credit rating agencies and the credit market.
3. The City will follow a policy of full disclosure that meets or exceeds the disclosure guidelines developed by the Government Finance Officers Association and the Governmental Accounting Standards Board.

Purposes for Borrowing

1. The City will not fund current operations from externally borrowed funds, except to meet short term cash flow requirements.
2. The City may borrow on a short-term basis for capital improvements in anticipation of issuing long-term debt or for cash flow purposes during a construction project.
3. The City will confine long-term borrowing to capital improvements or projects that cannot be fully funded from current revenues.
4. The City will encourage the use of pay-as-you-go financing for capital improvements when feasible and affordable.
5. Assessment bonds may be issued for local improvements in accordance with the City's assessment policies.
6. The City may refund existing debt according to the policies set out under the "Refunding Debt" section below.
7. The City may act as a conduit issuer according to the policies set out under the "Conduit Financings" section below.

Refunding Debt

1. Borrowing externally to fund the unfunded accrued liability of the Public Employees Retirement System (PERS) is considered refunding of an existing liability to PERS.
2. The City will issue advance refunding bonds (as defined by federal tax law) when advantageous, legally permissible, prudent and when the net present value savings is a minimum of three percent of the refunding par amount, as required by state law.
3. The City will issue current refunding bonds (as defined by federal tax law) when advantageous, legally permissible, prudent and when the net present value savings exceed \$100,000.
4. Refundings may also be undertaken for other reasons when legally permissible, prudent and when in the best interests of the City.

Security for Debt Issues

1. Approval to use the general obligation pledge will be sought from voters only for projects that cannot be self-supporting and that provide a general benefit to City residents.
2. The City's full faith and credit (i.e., the General Fund) may be pledged as a primary or secondary source of repayment of long-term debt obligations when it is determined that this pledge is in the best interests of the City. Debt secured by the City's full faith and credit should be supported by predictable revenues. In addition, the City may require administrative measures designed to protect the City's General Fund, such as internal rate covenants and reserves. These internal administrative measures will not be pledged to bondholders.
3. Enterprise funds and other revenue-backed bond issues will maintain the highest level of debt service coverage ratios and reserves as possible, balancing against the cost of such measures the need to preserve equity and a desire to maintain affordability in user fees.
4. Credit enhancement should be considered for debt issues where the cost of the enhancement is expected to be less than the savings in interest over the life of the issue.
5. Prior to issuing Bond Anticipation Notes, the City will have secured authority for the permanent bond financing that will be used to repay the notes.

Financing Methods

1. The City will analyze the various financing methods available for any proposed borrowing and choose the method that is most cost effective, that is appropriate from a risk perspective and that is legally and administratively feasible. Financing methods examined could include, but are not limited to, general obligation bonds, full faith and credit securities, revenue bonds, notes, lines of credit, commercial paper, lease or lease purchase transactions, grants, federal or state loans, intergovernmental agreements or partnerships with the private sector.
2. Lease purchase debt, including certificates of participation, will be considered as an alternative financing method for capital projects or long-term vendor leases when cost effective and when the City does not want to seek the General Obligation pledge from voters.

Administration of City Debt

1. The City will consider affordability prior to entering into any new borrowing program. The debt ratio guidelines contained in this policy define the affordable level of debt for the City.
2. When the City issues long-term debt, it will repay the debt within a period not to exceed the useful life of the improvements or equipment.
3. The City will repay debt rapidly to recapture its credit capacity for future use and to minimize interest costs. For major capital projects, repayment on such debt will not exceed 21 years. Assessment debt will mature over a ten year period. Debt issued to fund a pension obligation may be for a longer period of time to match the amortization schedule used by PERS in determining the City's annual payment obligation.
4. Revenues dedicated to make bond payments are to be budgeted for debt service payments before they are appropriated for any other purpose.
5. All voter-approved general obligation debt will be sold through competitive bids. Exceptions may be made for refunding bond issues or where the City is issuing bonds with different security pledges at the same time as the general obligation debt. Non-general obligation debt may be sold on a negotiated basis if the City determines that it offers significant advantages in marketing the issue.

6. Private placement of debt may be appropriate under certain circumstances. The costs of private placement of debt will be compared to market financing before recommending this method.

Conduit Financings

1. Conduit financings are financings that the City provides for the benefit of non-governmental entities to allow those non-governmental entities to obtain low cost, tax-exempt financing. Conduit financings are not secured by any revenues or assets of the City except revenues and assets provided by the non-governmental entities that benefit from the conduit financings. The United States Internal Revenue Code substantially limits the ability of the City to provide conduit financing; conduit financings are only available for small manufacturing facilities, facilities used by qualified 501(c)(3) organizations, certain kinds of low income housing projects and other projects that can be financed with "qualified bonds" as defined in the Internal Revenue Code.
2. Recognizing that the City is able to issue debt for broad purposes, it may be appropriate to enter into a conduit financing on behalf of another party when the City Council determines that the proposed project will provide a general benefit to City residents and/or the City economy.
3. Conduit financing will be considered only when a project is consistent with the City's overall service and policy objectives.
4. The City should not incur any moral or financial obligation under a conduit borrowing.
5. The City will only consider conduit financings that will insulate the City from any credit risk.
6. Any financing issued through the City must qualify for an investment grade rating by one of the nationally recognized statistical rating agencies or provide alternative credit enhancement from a third party satisfactory to the City or a corporate guaranty if the corporation carries an investment grade rating.
7. All expenses related to conduit financing will be borne by the third-party applicant for whom the debt is being issued.
8. The City will establish review procedures of the requesting party for projects, including adherence to public contracting requirements, development of a financial feasibility study of the project and submission of annual financial statements, to ensure the ability to repay the debt.

Key Debt Ratios

The City's ability to issue general obligation debt is limited by state statutes to 3% of real market value. This level of outstanding debt would be financially burdensome and not considered a prudent amount of debt by credit analysts and bond investors. There are several key debt ratios that investors and financial analysts use when reviewing a city's credit worthiness. The City of Eugene has established this set of debt ratio guidelines that are to be used as a measure of the affordability of a new debt program. These guidelines are periodically reviewed by the Investment Advisory Board and are listed below.

1. Net direct debt as a percentage of real market value shall be a maximum of 1.0%.
2. A minimum of 50% of net direct debt shall be retired within 10 years.
3. Maximum annual debt service on all General Fund-backed debt shall be limited to 10% of General Fund expenditures in the year in which the debt is issued. Of this amount, long-term

debt that has a primary pledge of General Fund resources shall be no more than 5% of General Fund expenditures.

The following definitions apply to the City's debt ratio guidelines:

- ***Net direct debt*** includes all debt that is repaid from taxes (excluding URA tax increment revenues), such as General Obligation bonds and bonds backed by the City's full faith and credit pledge. Debt secured solely by revenues and Urban Renewal Agency debt are excluded from the City's net direct debt.
- Debt that includes a General Obligation or full faith and credit pledge may be excluded from the calculation of net direct debt as ***self-supporting debt*** where it can be demonstrated that there are other non-tax revenues available that are sufficient to make the debt service payments.
- ***Pension obligation debt*** will be excluded from the City's calculation of net direct debt in order to provide a debt statement comparable to other jurisdictions. This debt does not represent a new obligation of the City; rather, it represents replacement of an existing obligation that the City had in the form of an unfunded pension obligation that had previously been paid in installments to PERS.
- Short-term debt and leases that are subject to appropriation are not included in the statement of gross direct debt or net direct debt.
- The definition of net direct debt may change as the revenues supporting a debt issue change or as new types of debt are added to the City's debt position. In categorizing debt on the statement of net direct debt, the City will attempt to mirror the calculation prepared by the bond rating agencies that rate the City's debt.
- ***General Fund-backed debt*** is debt that has a primary or secondary security pledge from the City's General Fund, such as limited tax assessment bonds, Library Full Faith and Credit Obligations, Broadway Place Limited Tax Bonds, and Atrium Full Faith and Credit Obligations. Voter-approved General Obligation bonds and the pension obligation bonds are excluded from the definition of General Fund debt.
- The ***General Fund expenditures*** used for the purpose of measuring debt service to expenditures will be those in the main General Fund, excluding any subfunds.
- Extraordinarily high debt service on a bond issue in the first or last year (such as a long first interest payment or a balloon payment at the end) shall not be subject to the debt service to expenditures policy.

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This section sets out significant changes in the department's FY18 Proposed Budget versus the FY17 Adopted Budget. Significant is defined as any change in full-time equivalent employees (FTE), any percentage change that is above 5%, or any budget reduction. Changes below 5% are generally due to normal year-to-year inflationary increases in contracts, salaries, health and benefit costs and internal service charges.

Changes in Full-Time Equivalent Employees

The FY18 Proposed Budget includes an increase of 1.8 FTE in the Central Services Department. These position changes consist of the following:

- **Police Auditor's Office** added 0.8 FTE Community Engagement and Translation Specialist position to support the Police Auditor's community outreach and engagement activities.
- **City Manager's Office** added 0.5 FTE due to the Assistant City Manager returning to full-time status after several years of the Assistant City Manager and the Planning and Development Executive Manager positions being combined into one FTE.
- Risk Services Division increase existing position to a full-time position focused on emergency management and disaster preparedness work.

Significant Changes in Expenditures by Division

The FY18 Proposed Operating Budget includes the following significant changes, by division:

- Administration: Budget increased by \$98,385, or 10.3% from FY17 Adopted Budget to FY18 Proposed Budget. The largest change was an increase in one-time funding for the Community Justice Initiative, which was budgeted at \$100,000 in FY17 and at \$250,000 in the FY18 Proposed Budget. Excluding this change, the budget decreased by 5.4% because dollars were shifted to other Central Services divisions.
- **City Manager's Office:** Budget increased by \$537,156 or 8.6%, due to the FY18 Proposed Budget including \$181,000 to fund, on a one-time basis, legal services that support implementation of Envision Eugene, and \$124,000 fund the Assistant City Manager position increasing to full time. After accounting for these changes, the year-to-year increase is \$232,156 or 3.7%.
- Facilities: Budget increased by \$520,742 or 5.1% due to the FY18 Proposed Budget including \$100,000 in one-time appropriations for the downtown maintenance activities and \$50,000 in ongoing funding for the downtown and parks safety and security initiative. After accounting for these changes, the year-to-year increase is 3.6%.
- Finance: Budget decreased by \$19,602 or 0.4% due to the decrease in backfill funding for the Corporate Renovation Project by \$204,500 from FY17 to FY18. Without this decrease, the budget would have gone up by \$184,898 or 4.1%.
- Information Services: Budget decreased by \$2,037,434 or 9.2% for two reasons. First, the FY17 Adopted Budget included \$1,422,837 in reserve for encumbrances for funds under a contract but not expended in FY17, but the FY18 Proposed Budget does not include encumbrances. Second, the operating budget for the Corporate Renovation Project is decreasing by \$1,177,590 from FY17 to FY18, based on the schedule of project expenditures. After accounting for these two changes, the increase would have been \$562,993 or 2.7%.

- Police Auditor: Budget increased by \$49,733 or 9.4% due to the proposed change of the community engagement and translation specialist from a limited duration position to a 0.8 FTE permanent position (an increase of \$25,593). After accounting for this increase, the year-to-year change would have been \$24,140 or 4.6%
- Risk Services: Budget increased \$2,139,349 or 6.0% primarily due to the increases in budgeted amounts for health insurance and other claims in the Risk and Benefits Fund.

Significant Changes in Funding Sources

The FY18 Proposed Budget included the following significant changes in funding sources:

- General Fund: Increased by \$1,336,362 or 5.6%, paid from general sources.
- Parking Services: Decreased by \$5,707 or 1.4% due to a decrease of \$20,000 in budgeted amount for parking citation collections services based on the projected collections volume.
- Info Systems and Services: Decreased \$2,347,173 or 15.8% for two reasons. First, the FY17 adopted budget included \$1,181,920 in reserve for encumbrances carryover, but the FY18 Proposed Budget does not include encumbrances. Second, there was a decrease of \$1,335,985 in the operating budget for the Corporate Renovation Project.
- Risk and Benefits: Increased by \$2,103,294 or 5.9% due to the increases in budgeted amounts for health insurance and other claims. The increase will be funded by increased internal service fund charges to departments.

Department Budget Changes

Central Services

Change by Division	FY17	FY18	FTE or \$ Change	% Change
	Adopted Budget	Proposed Budget		
Administration				
Personnel - FTE	3.00	3.00	0.00	0.0%
Total Expenditures	\$950,936	\$1,049,321	\$98,385	10.3%
City Manager's Office				
Personnel - FTE	33.90	34.40	0.50	1.5%
Total Expenditures	\$6,248,424	\$6,785,580	\$537,156	8.6%
Facilities				
Personnel - FTE	57.50	57.50	0.00	0.0%
Total Expenditures	\$10,214,212	\$10,734,954	\$520,742	5.1%
Finance				
Personnel - FTE	26.00	26.00	0.00	0.0%
Total Expenditures	\$4,501,044	\$4,481,442	-\$19,602	-0.4%
Human Resources				
Personnel - FTE	14.85	14.85	0.00	0.0%
Total Expenditures	\$2,084,445	\$2,179,968	\$95,523	4.6%
Information Services				
Personnel - FTE	49.50	49.50	0.00	0.0%
Total Expenditures	\$22,260,832	\$20,223,398	-\$2,037,434	-9.2%
Municipal Court				
Personnel - FTE	18.75	18.75	0.00	0.0%
Total Expenditures	\$4,701,819	\$4,757,668	\$55,849	1.2%
Police Auditor				
Personnel - FTE	3.00	3.80	0.80	26.7%
Total Expenditures	\$529,762	\$579,495	\$49,733	9.4%
Risk Services				
Personnel - FTE	14.25	14.75	0.50	3.5%
Total Expenditures	\$35,815,385	\$37,954,734	\$2,139,349	6.0%
Total Central Services Department				
PERSONNEL - FTE	220.75	222.55	1.80	0.8%
TOTAL EXPENDITURES	\$87,306,859	\$88,746,560	\$1,439,701	1.6%

Change by Funding Source

General	\$23,837,327	\$25,173,689	\$1,336,362	5.6%
Special Assessment Mgmt	97,870	102,155	4,285	4.4%
Telecom Reg./Licensing	2,734,342	2,747,204	12,862	0.5%
Parking Services	407,673	401,966	-5,707	-1.4%
Facilities Services	9,565,120	9,900,898	335,778	3.5%
Info Systems and Services	14,818,678	12,471,505	-2,347,173	-15.8%
Risk and Benefits	35,845,849	37,949,143	2,103,294	5.9%
TOTAL FUNDING SOURCES	\$87,306,859	\$88,746,560	\$1,439,701	1.6%

Department Financial Summary

	FY15 Actual	FY16 Actual	FY17 Adopted Budget	FY17 Budget 12/31/2016	FY18 Proposed Budget
PERSONNEL-FTE	217.50	218.75	220.75	220.75	222.55
Personnel Services	\$20,812,036	\$22,818,443	\$26,947,396	\$27,647,754	\$27,694,706
Materials and Services	48,647,676	49,422,629	59,944,463	60,371,489	60,317,054
Capital Outlay	444,588	1,042,332	415,000	2,015,451	734,800
TOTAL EXPENDITURES	\$69,904,300	\$73,283,404	\$87,306,859	\$90,034,694	\$88,746,560
FUND SUMMARY					
General	\$22,228,468	\$22,995,115	\$23,837,327	\$25,676,587	\$25,173,689
Special Assessment Mgt.	81,594	87,168	97,870	97,870	102,155
Telecom Reg./Licensing	2,781,949	1,797,756	2,734,342	5,008,065	2,747,204
Parking Services	344,232	394,324	407,673	407,673	401,966
Facilities Services	8,314,600	8,665,980	9,565,120	9,530,545	9,900,898
Info. Systems and Services	5,257,557	6,264,249	14,818,678	13,468,105	12,471,505
Risk and Benefits	30,895,900	33,078,812	35,845,849	35,845,849	37,949,143
TOTAL	\$69,904,300	\$73,283,404	\$87,306,859	\$90,034,694	\$88,746,560

Service Budget View for FY18

	Revenue		Expenditures		FTE
	General Fund	General Fund	Other Funds	All Funds	All Funds
Infrastructure and Planning Services					
Parking	\$0	\$0	\$397,966	\$397,966	3.55
Public Buildings and Facilities	0	830,056	9,904,898	10,734,954	57.50
Subtotal	0	830,056	10,302,864	11,132,920	61.05
Public Safety Services					
Animal Services	792,644	792,644	0	792,644	3.75
Municipal Court	1,736,500	5,103,682	0	5,103,682	19.70
Subtotal	2,529,144	5,896,326	0	5,896,326	23.45
Central Business Functions					
Financial Services	84,000	3,908,584	572,858	4,481,442	26.00
Civic Leadership and Collab. Svcs.	800	4,910,309	0	4,910,309	24.80
Human Resources Services	5,000	2,084,113	37,894,128	39,978,241	29.85
Information Technology	0	5,576,838	14,803,021	20,379,859	49.25
Community Engagement Services	0	918,142	0	918,142	5.15
Central Services Admin.	0	1,049,321	0	1,049,321	3.00
Subtotal	89,800	18,447,307	53,270,007	71,717,314	138.05
Total	\$2,618,944	\$25,173,689	\$63,572,871	\$88,746,560	222.55

Division Financial Summary

	FY15 Actual	FY16 Actual	FY17 Adopted Budget	FY17 Budget 12/31/2016	FY18 Proposed Budget
Administration					
PERSONNEL-FTE	3.00	3.00	3.00	3.00	3.00
Personnel Services	\$492,265	\$471,835	\$753,838	\$753,838	\$934,824
Materials and Services	56,401	112,454	197,098	197,373	114,497
TOTAL EXPENDITURES	\$548,666	\$584,289	\$950,936	\$951,211	\$1,049,321
FUND SUMMARY					
General	\$548,666	\$584,289	\$950,936	\$951,211	\$1,049,321
City Manager's Office					
PERSONNEL-FTE	32.65	33.90	33.90	33.90	34.40
Personnel Services	\$3,985,323	\$4,438,445	\$4,530,510	\$4,997,340	\$5,032,934
Materials and Services	1,899,438	1,789,920	1,717,914	2,033,750	1,752,646
TOTAL EXPENDITURES	\$5,884,761	\$6,228,365	\$6,248,424	\$7,031,090	\$6,785,580
FUND SUMMARY					
General	\$5,884,761	\$6,228,365	\$6,248,424	\$7,031,090	\$6,785,580
Facilities					
PERSONNEL-FTE	57.50	57.50	57.50	57.50	57.50
Personnel Services	\$4,509,367	\$4,664,847	\$5,317,828	\$5,317,828	\$5,489,155
Materials and Services	4,421,932	4,651,681	4,896,384	4,961,909	5,245,799
Capital Outlay	14,009	18,489	0	0	0
TOTAL EXPENDITURES	\$8,945,308	\$9,335,017	\$10,214,212	\$10,279,737	\$10,734,954
FUND SUMMARY					
General	\$539,159	\$665,957	\$644,492	\$744,592	\$830,056
Facilities Services	8,314,600	8,665,979	9,565,120	9,530,545	9,900,898
Info. Systems and Services	88,453	0	0	0	0
Parking Services	3,096	3,081	4,600	4,600	4,000
TOTAL	\$8,945,308	\$9,335,017	\$10,214,212	\$10,279,737	\$10,734,954

Department View

Central Services

	FY15 Actual	FY16 Actual	FY17 Adopted Budget	FY17 Budget 12/31/2016	FY18 Proposed Budget
Finance					
PERSONNEL-FTE	26.00	26.00	26.00	26.00	26.00
Personnel Services	\$2,389,594	\$2,810,491	\$3,547,045	\$3,547,045	\$3,502,182
Materials and Services	1,272,198	932,425	953,999	1,174,538	979,260
TOTAL EXPENDITURES	\$3,661,792	\$3,742,916	\$4,501,044	\$4,721,583	\$4,481,442
FUND SUMMARY					
General	\$3,526,640	\$3,454,278	\$3,731,651	\$3,952,190	\$3,908,584
Special Assessment Mgt.	81,594	87,168	97,870	97,870	102,155
Info. Systems and Services	0	136,128	605,000	605,000	400,500
Risk and Benefits	47,177	48,763	52,235	52,235	55,015
Telecom. Reg./Licensing	6,381	16,579	14,288	14,288	15,188
TOTAL	\$3,661,792	\$3,742,916	\$4,501,044	\$4,721,583	\$4,481,442
Human Resources					
PERSONNEL-FTE	14.85	14.85	14.85	14.85	14.85
Personnel Services	\$1,389,380	\$1,499,214	\$1,733,259	\$1,733,259	\$1,832,403
Materials and Services	422,460	357,034	351,186	407,208	347,565
TOTAL EXPENDITURES	\$1,811,840	\$1,856,248	\$2,084,445	\$2,140,467	\$2,179,968
FUND SUMMARY					
General	\$1,811,840	\$1,847,394	\$1,994,445	\$2,050,467	\$2,084,113
Info. Systems and Services	0	8,854	90,000	90,000	95,855
TOTAL	\$1,811,840	\$1,856,248	\$2,084,445	\$2,140,467	\$2,179,968
Information Services					
PERSONNEL-FTE	48.50	48.50	49.50	49.50	49.50
Personnel Services	\$4,853,762	\$5,154,349	\$7,188,120	\$7,248,120	\$6,773,586
Materials and Services	7,996,683	7,192,613	14,657,712	14,084,718	12,715,012
Capital Outlay	430,579	1,002,819	415,000	2,015,451	734,800
TOTAL EXPENDITURES	\$13,281,024	\$13,349,781	\$22,260,832	\$23,348,289	\$20,223,398
FUND SUMMARY					
General	\$5,305,949	\$5,426,536	\$5,438,871	\$5,603,178	\$5,576,838
Telecom. Reg./Licensing	2,775,568	1,781,176	2,720,054	4,993,777	2,732,016
Info. Systems and Services	5,169,104	6,110,413	14,069,928	12,719,355	11,881,150
Risk and Benefits	30,403	31,656	31,979	31,979	33,394
TOTAL	\$13,281,024	\$13,349,781	\$22,260,832	\$23,348,289	\$20,223,398

Department View

Central Services

	FY15 Actual	FY16 Actual	FY17 Adopted Budget	FY17 Budget 12/ 31/ 2016	FY18 Proposed Budget
Municipal Court					
PERSONNEL-FTE	18.75	18.75	18.75	18.75	18.75
Personnel Services	\$1,383,770	\$1,522,695	\$1,647,124	\$1,808,152	\$1,728,196
Materials and Services	3,142,332	3,111,288	3,054,695	3,396,518	3,029,472
TOTAL EXPENDITURES	\$4,526,102	\$4,633,983	\$4,701,819	\$5,204,670	\$4,757,668
FUND SUMMARY					
General	\$4,184,965	\$4,242,740	\$4,298,746	\$4,801,597	\$4,359,702
Parking Services	341,137	391,243	403,073	403,073	397,966
TOTAL	\$4,526,102	\$4,633,983	\$4,701,819	\$5,204,670	\$4,757,668
Police Auditor					
PERSONNEL-FTE	3.00	3.00	3.00	3.00	3.80
Personnel Services	\$368,553	\$479,437	\$458,912	\$471,412	\$506,007
Materials and Services	57,934	66,120	70,850	70,850	73,488
TOTAL EXPENDITURES	\$426,487	\$545,557	\$529,762	\$542,262	\$579,495
FUND SUMMARY					
General	\$426,487	\$545,557	\$529,762	\$542,262	\$579,495
Risk Services					
PERSONNEL-FTE	13.25	13.25	14.25	14.25	14.75
Personnel Services	\$1,440,023	\$1,777,130	\$1,770,760	\$1,770,760	\$1,895,419
Materials and Services	29,378,297	31,209,094	34,044,625	34,044,625	36,059,315
Capital Outlay	0	21,024	0	0	0
TOTAL EXPENDITURES	\$30,818,320	\$33,007,248	\$35,815,385	\$35,815,385	\$37,954,734
FUND SUMMARY					
Info. Systems and Services	\$0	\$8,854	\$53,750	\$53,750	\$94,000
Risk and Benefits	30,818,320	32,998,394	35,761,635	35,761,635	37,860,734
TOTAL	\$30,818,320	\$33,007,248	\$35,815,385	\$35,815,385	\$37,954,734

This section sets out significant changes in the department's FY18 Proposed Budget versus the FY17 Adopted Budget. Significant is defined as any change in full-time equivalent employees (FTE), any percentage change that is above 5%, or any budget reduction. Changes below 5% are generally due to normal year-to-year inflationary increases in contracts, salaries, health and benefit costs and internal service charges.

Changes in Full-Time Equivalent Employees

There are no FTE increases for the Fire and Emergency Medical Services Department in the FY18 Proposed Budget.

Significant Changes in Expenditures by Division

The FY18 Proposed Operating Budget includes the following significant changes, by division:

- Office of the Chief: Budget decreased \$365,765 or 18.6%. The majority of the decrease is attributed to shifting funds to other divisions including \$360,000 to Shift Operations and \$55,500 to Special Operations.
- Shift Operations: Budget increased \$2,197,606 or 7.6%. The increase is due to higher personnel costs including cost-of-living adjustments and retirement.
- Special Operations: Budget increased \$487,495 or 9.6%. The largest change was a \$250,000 revenue backed increase that adds basic life support medic units to the ambulance transport system. After subtracting out this change, the remaining budget increase was 4.6%.
- **Fire Marshal's Office:** Budget increased \$105,633 or 7.6%. The increase is due to higher personnel costs including cost-of-living adjustments and retirement.

Significant Changes in Funding Sources

The FY18 Proposed Budget included the following significant changes in funding sources:

- General Fund: Budget increased \$1,643,268 or 5.7%. The increase is due to higher personnel costs including cost-of-living and retirement.
- Construction and Rental Housing Fund: Budget increased \$27,057 or 8.8%. The increase is due to higher personnel costs including cost-of-living and retirement.
- Ambulance Transport Fund: Budget increased \$715,662 or 9.6%. The largest change was a \$250,000 revenue-backed increase that adds basic life support medic units to the ambulance transport system. The remainder of the increase is due to higher personnel costs including cost-of-living adjustments and retirement.

Department Budget Changes

Fire and Emergency Medical Services

Change by Division	FY17	FY18	FTE or \$ Change	% Change
	Adopted Budget	Proposed Budget		
Office of the Chief				
Personnel - FTE	9.56	9.56	0.00	0.0%
Total Expenditures	\$1,966,866	\$1,601,101	-\$365,765	-18.6%
Shift Operations				
Personnel - FTE	169.00	169.00	0.00	0.0%
Total Expenditures	\$28,807,271	\$31,004,877	\$2,197,606	7.6%
Special Operations				
Personnel - FTE	18.44	18.44	0.00	0.0%
Total Expenditures	\$5,089,070	\$5,576,565	\$487,495	9.6%
Fire Marshal's Office				
Personnel - FTE	9.00	9.00	0.00	0.0%
Total Expenditures	\$1,394,487	\$1,500,120	\$105,633	7.6%
Fire and Emergency Medical Services Department				
PERSONNEL - FTE	206.00	206.00	0.00	0.0%
TOTAL EXPENDITURES	\$37,257,694	\$39,682,663	\$2,424,969	6.5%

Change by Funding Source

General	\$28,595,704	\$30,238,972	\$1,643,268	5.7%
Construction and Rental Housing	306,904	333,961	27,057	8.8%
Municipal Airport	880,671	919,653	38,982	4.4%
Ambulance Transport	7,474,415	8,190,077	715,662	9.6%
TOTAL FUNDING SOURCES	\$37,257,694	\$39,682,663	\$2,424,969	6.5%

Department View

Fire and Emergency Medical Services

Department Financial Summary

	FY15 Actual	FY16 Actual	FY17 Adopted Budget	FY17 Budget 12/31/2016	FY18 Proposed Budget
PERSONNEL-FTE	205.00	206.00	206.00	206.00	206.00
Personnel Services	\$28,847,970	\$30,873,937	\$32,240,709	\$32,383,140	\$34,368,274
Materials and Services	4,926,593	5,894,314	4,949,160	5,668,601	5,314,389
Capital Outlay	274,186	9,391	67,825	67,825	0
TOTAL EXPENDITURES	\$34,048,749	\$36,777,642	\$37,257,694	\$38,119,566	\$39,682,663
FUND SUMMARY					
General	\$25,963,612	\$28,222,239	\$28,595,704	\$29,093,406	\$30,238,972
Construction and Rental Housing	274,796	289,947	306,904	306,904	333,961
Municipal Airport	805,659	830,289	880,671	880,671	919,653
Ambulance Transport	7,004,682	7,435,167	7,474,415	7,838,585	8,190,077
TOTAL	\$34,048,749	\$36,777,642	\$37,257,694	\$38,119,566	\$39,682,663

Service Budget View for FY18

	Revenue		Expenditures		FTE
	General Fund	General Fund	Other Funds	All Funds	All Funds
Infrastructure and Planning Services					
Airport	\$0	\$0	\$919,653	\$919,653	5.26
Construction and Rental Housing	0	0	333,961	333,961	2.00
Subtotal	0	0	1,253,614	1,253,614	7.26
Public Safety Services					
Fire and Emergency Medical Services	3,450,579	29,458,642	7,321,154	36,779,796	188.74
Fire and EMS Department Admin.	0	780,330	868,923	1,649,253	10.00
Subtotal	3,450,579	30,238,972	8,190,077	38,429,049	198.74
Total	\$3,450,579	\$30,238,972	\$9,443,691	\$39,682,663	206.00

Division Financial Summary

Office of the Chief	FY15 Actual	FY16 Actual	FY17 Adopted Budget	FY17 Budget 12/31/2016	FY18 Proposed Budget
PERSONNEL-FTE	10.06	9.56	9.56	9.56	9.56
Personnel Services	\$887,683	\$1,112,913	\$1,575,826	\$1,575,826	\$1,209,227
Materials and Services	397,155	384,108	391,040	391,040	391,874
TOTAL EXPENDITURES	\$1,284,838	\$1,497,021	\$1,966,866	\$1,966,866	\$1,601,101
FUND SUMMARY					
General	\$632,270	\$752,166	\$1,174,820	\$1,174,820	\$780,330
Ambulance Transport	652,568	744,855	792,046	792,046	820,771
TOTAL	\$1,284,838	\$1,497,021	\$1,966,866	\$1,966,866	\$1,601,101
Shift Operations					
PERSONNEL-FTE	170.00	169.00	169.00	169.00	169.00
Personnel Services	\$24,245,497	\$25,805,877	\$26,580,854	\$26,673,285	\$28,674,807
Materials and Services	1,959,880	2,116,559	2,226,417	2,276,417	2,330,070
Capital Outlay	63,604	0	0	0	0
TOTAL EXPENDITURES	\$26,268,981	\$27,922,436	\$28,807,271	\$28,949,702	\$31,004,877
FUND SUMMARY					
General	\$20,929,502	\$21,970,306	\$22,732,241	\$22,740,502	\$24,507,435
Municipal Airport	805,659	830,289	880,671	880,671	919,653
Ambulance Transport	4,533,820	5,121,841	5,194,359	5,328,529	5,577,789
TOTAL	\$26,268,981	\$27,922,436	\$28,807,271	\$28,949,702	\$31,004,877
Special Operations					
PERSONNEL-FTE	15.94	18.44	18.44	18.44	18.44
Personnel Services	\$2,559,693	\$2,680,192	\$2,820,698	\$2,870,698	\$3,120,069
Materials and Services	2,455,208	3,281,317	2,200,547	2,869,988	2,456,496
Capital Outlay	210,582	9,391	67,825	67,825	0
TOTAL EXPENDITURES	\$5,225,483	\$5,970,900	\$5,089,070	\$5,808,511	\$5,576,565
FUND SUMMARY					
General	\$3,407,188	\$4,402,429	\$3,601,060	\$4,090,501	\$3,785,048
Ambulance Transport	1,818,295	1,568,471	1,488,010	1,718,010	1,791,517
TOTAL	\$5,225,483	\$5,970,900	\$5,089,070	\$5,808,511	\$5,576,565

Department View

Fire and Emergency Medical Services

Fire Marshal's Office	FY15 Actual	FY16 Actual	FY17 Adopted Budget	FY17 Budget 12/31/2016	FY18 Proposed Budget
PERSONNEL-FTE	9.00	9.00	9.00	9.00	9.00
Personnel Services	\$1,155,097	\$1,274,954	\$1,263,331	\$1,263,331	\$1,364,171
Materials and Services	114,350	112,331	131,156	131,156	135,949
TOTAL EXPENDITURES	\$1,269,447	\$1,387,285	\$1,394,487	\$1,394,487	\$1,500,120
FUND SUMMARY					
General	\$994,651	\$1,097,338	\$1,087,583	\$1,087,583	\$1,166,159
Construction and Rental Housing	274,796	289,947	306,904	306,904	333,961
TOTAL	\$1,269,447	\$1,387,285	\$1,394,487	\$1,394,487	\$1,500,120

Library, Recreation, and Cultural Services Department Budget Changes

This section sets out significant changes in the department's FY18 Proposed Budget versus the FY17 Adopted Budget. Significant is defined as any change in full-time equivalent employees (FTE), any percentage change that is above 5%, or any budget reduction. Changes below 5% are generally due to normal year-to-year inflationary increases in contracts, salaries, health and benefit costs and internal service charges.

Changes in Full-Time Equivalent Employees

There are no FTE increases for the Library, Recreation, and Cultural Services (LRCS) Department in the FY18 Proposed Budget.

Significant Changes in Expenditures by Division

The FY18 Proposed Operating Budget includes the following significant changes, by division:

- Administration: Budget decreased by \$29,350, or 2.8% from the FY17 Adopted Budget to the FY18 Proposed Budget due to budget dollars shifted to other divisions (\$46,509). Excluding this change, the LRCS Administration budget increased by \$17,199, or 1.7%.
- Cultural Services: Budget increased by \$1,529,497, or 22.9%. Increases include revenue-backed changes to account for increased activity due to the reintroduction of the Hult Presents program and expected additional commercial activity (\$928,000); one-time funding to assess and develop improvements to the Hult Center's ticketing system and website, as well as outreach targeted to diversify and expand audiences (\$150,000); and one-time departmental match for Equipment Replacement Fund projects (\$150,000). Additional one-time funds were added for downtown programming and activities (\$100,000). Excluding these changes, the Cultural Services budget increased by \$201,497, or 3.0%.
- Recreation Services: Budget decreased by \$110,098, or 1.0%, due to a reduction in the ongoing expected impact of temporary employee sick leave based on actual use (\$259,754). Excluding this change, the Recreation Services budget increased by \$149,656, or 1.4%.

Significant Changes in Funding Sources

The FY18 Proposed Budget included the following significant changes in funding sources:

- General Fund: Increased by \$1,751,716 or 6.0%, paid from general sources, operational revenues and Transient Room Taxes.

Department Budget Changes Library, Recreation and Cultural Services

Change by Division	FY17	FY18	FTE or \$ Change	% Change
	Adopted Budget	Proposed Budget		
Administration				
Personnel - FTE	3.00	3.00	0.00	0.0%
Total Expenditures	\$1,033,283	\$1,003,933	-\$29,350	-2.8%
Cultural Services				
Personnel - FTE	36.13	36.13	0.00	0.0%
Total Expenditures	\$6,683,083	\$8,212,580	\$1,529,497	22.9%
Library Services				
Personnel - FTE	105.00	105.00	0.00	0.0%
Total Expenditures	\$13,408,064	\$13,801,566	\$393,502	2.9%
Recreation Services				
Personnel - FTE	51.95	51.95	0.00	0.0%
Total Expenditures	\$10,629,651	\$10,519,553	-\$110,098	-1.0%
Library, Recreation and Cultural Services Department				
PERSONNEL - FTE	196.08	196.08	0.00	0.0%
TOTAL EXPENDITURES	\$31,754,081	\$33,537,632	\$1,783,551	5.6%

Change by Funding Source

General	\$28,980,020	\$30,731,736	\$1,751,716	6.0%
Library Local Option Levy	2,384,000	2,415,896	31,896	1.3%
General Capital Projects	20,000	20,000	0	0.0%
Library, Parks and Recreation	370,061	370,000	-61	0.0%
TOTAL FUNDING SOURCES	\$31,754,081	\$33,537,632	\$1,783,551	5.6%

Department Financial Summary

	FY15 Actual	FY16 Actual	FY17 Adopted Budget	FY17 Budget 12/31/2016	FY18 Proposed Budget
PERSONNEL-FTE	172.80	172.80	196.08	196.08	196.08
Personnel Services	\$16,545,097	\$17,633,483	\$20,992,258	\$21,106,758	\$21,398,881
Materials and Services	8,875,352	9,572,148	10,726,823	12,549,661	11,933,701
Capital Outlay	634,035	22,645	35,000	195,301	205,050
TOTAL EXPENDITURES	\$26,054,484	\$27,228,276	\$31,754,081	\$33,851,720	\$33,537,632
FUND SUMMARY					
General	\$25,823,638	\$26,874,804	\$28,980,020	\$30,852,720	\$30,731,736
General Capital Projects	0	4,308	20,000	20,000	20,000
Library Local Option Levy	0	0	2,384,000	2,384,000	2,415,896
Library, Parks and Rec. Spec. Rev.	230,846	349,164	370,061	595,000	370,000
TOTAL	\$26,054,484	\$27,228,276	\$31,754,081	\$33,851,720	\$33,537,632

Service Budget View for FY18

	Revenue		Expenditures		FTE
	General Fund	General Fund	Other Funds	All Funds	All Funds
Culture and Recreation Services					
Adaptive Recreation	\$122,000	\$854,020	\$19,000	\$873,020	4.36
Adult and Senior Services	258,000	1,151,492	59,000	1,210,492	6.20
Aquatics	932,000	3,191,747	4,000	3,195,747	10.85
Athletics	410,000	568,655	0	568,655	3.36
Cultural Services	4,803,900	8,192,580	20,000	8,212,580	36.13
Library	478,540	11,118,670	2,682,896	13,801,566	105.00
Youth and Family Recreation	1,206,000	4,650,639	21,000	4,671,639	27.18
LRCS Department Admin.	0	1,003,933	0	1,003,933	3.00
Total	\$8,210,440	\$30,731,736	\$2,805,896	\$33,537,632	196.08

Department View

Library, Recreation and Cultural Services

Division Financial Summary

	FY15 Actual	FY16 Actual	FY17 Adopted Budget	FY17 Budget 12/ 31/ 2016	FY18 Proposed Budget
Administration					
PERSONNEL-FTE	3.00	3.00	3.00	3.00	3.00
Personnel Services	\$471,553	\$456,622	\$553,084	\$553,084	\$554,716
Materials and Services	492,252	344,268	480,199	625,347	449,217
Capital Outlay	20,894	0	0	0	0
TOTAL EXPENDITURES	\$984,699	\$800,890	\$1,033,283	\$1,178,431	\$1,003,933
FUND SUMMARY					
General	\$984,699	\$800,890	\$1,033,283	\$1,178,431	\$1,003,933
Cultural Services					
PERSONNEL-FTE	31.25	31.25	36.13	36.13	36.13
Personnel Services	\$2,696,350	\$3,202,769	\$3,961,980	\$3,961,980	\$4,128,048
Materials and Services	2,154,361	2,677,657	2,721,103	3,981,122	3,935,732
Capital Outlay	48,147	0	0	115,000	148,800
TOTAL EXPENDITURES	\$4,898,858	\$5,880,426	\$6,683,083	\$8,058,102	\$8,212,580
FUND SUMMARY					
General	\$4,898,858	\$5,876,118	\$6,663,083	\$8,038,102	\$8,192,580
General Capital Projects	0	4,308	20,000	20,000	20,000
TOTAL	\$4,898,858	\$5,880,426	\$6,683,083	\$8,058,102	\$8,212,580
Library					
PERSONNEL-FTE	86.60	86.60	105.00	105.00	105.00
Personnel Services	\$7,075,906	\$7,545,230	\$9,482,425	\$9,482,425	\$9,698,158
Materials and Services	3,062,176	3,319,013	3,925,639	3,930,371	4,103,408
Capital Outlay	539,224	22,645	0	45,301	0
TOTAL EXPENDITURES	\$10,677,306	\$10,886,888	\$13,408,064	\$13,458,097	\$13,801,566
FUND SUMMARY					
General	\$10,470,053	\$10,567,613	\$10,757,064	\$10,807,097	\$11,118,670
Library Local Option Levy	0	0	2,384,000	2,384,000	2,415,896
Library, Parks and Rec. Spec. Rev.	207,253	319,275	267,000	267,000	267,000
TOTAL	\$10,677,306	\$10,886,888	\$13,408,064	\$13,458,097	\$13,801,566
Recreation					
PERSONNEL-FTE	51.95	51.95	51.95	51.95	51.95
Personnel Services	\$6,301,288	\$6,428,862	\$6,994,769	\$7,109,269	\$7,017,959
Materials and Services	3,166,563	3,231,211	3,599,882	4,012,821	3,445,344
Capital Outlay	25,770	0	35,000	35,000	56,250
TOTAL EXPENDITURES	\$9,493,621	\$9,660,073	\$10,629,651	\$11,157,090	\$10,519,553
FUND SUMMARY					
General	\$9,470,029	\$9,630,185	\$10,526,590	\$10,829,090	\$10,416,553
Library, Parks and Rec. Spec. Rev.	23,592	29,888	103,061	328,000	103,000
TOTAL	\$9,493,621	\$9,660,073	\$10,629,651	\$11,157,090	\$10,519,553

This section sets out significant changes in the department's budget versus the FY17 Adopted Budget. Significant is defined as any change in full-time equivalent employees (FTE), any percentage change that is above 5%, or any budget reduction. Changes below 5% are generally due to normal year-to-year inflationary increases in contracts, salaries, health and benefit costs and internal service charges.

Changes in Full-Time Equivalent Employees

The FY18 Proposed Budget includes an increase of 8.0 FTE in the Planning and Development Department. The changes consist of the following:

- PDD Administration added 2.5 FTE. Of this increase 2.0 FTE were added to Parking Services which allows for the hiring of both an analyst and a maintenance position. These FTE replace 1.5 FTE that were allocated to Downtown and Urban Renewal District funding sources. Spending authority remained within the Parking Fund so the net impact of this was no additional cost. The other 0.5 FTE went to complete the funding to bring the Planning and Development Department (PDD) Executive Director to full time.
- Planning Division added 1.0 FTE for a Land Use Planning position to help with the ongoing increased volume of land use applications. This position is funded with fee revenue.
- Building and Permit Services (BPS) added a total of 3.0 FTE: 1.0 is for a building inspector to perform commercial and residential inspections based on high levels of demand; 1.0 was added as a Structural Plans Reviewer to increase the capacity for more technical and complex construction plan review work; and 1.0 FTE was for a business liaison to work with projects through the development cycle.
- Downtown and Riverfront Urban Renewal Districts 1.5 FTE was reallocated from the Parking Fund to URA work, which was not a change in the organization's FTE count. The URA will pay for 1.5 new FTE: a 1.0 Program Manager/ Analyst to manage projects in the districts as well as a 0.5 FTE Financial Analyst. These positions will oversee implementation of Council-directed development projects, in accordance with the urban renewal plans. It should be noted that the URA does not have employees, but has an agreement with the City to pay for employee costs. These FTEs are budgeted in the General Fund, Community Development Division.

Significant Changes in Expenditures by Division

The FY18 Proposed Operating Budget includes the following significant changes, by division:

- Administration and Parking: The total budget increased by \$660,762, or 15.1%. The largest changes were in the Parking Services area, which added 0.5 FTE for \$102,067, an increase for deferred maintenance of the Parking Garages of \$200,000, and \$200,000 for improvements in lighting and cleaning of the Overpark Garage. Excluding these additions, the change would have been \$158,695, or 2.3%.
- Planning: The total budget increased by \$174,227, or 6.7%. This includes \$111,127 for 1.0 FTE, backed by fee revenue. Excluding this addition the change would have been \$63,100, or 2.5%.
- Building and Permit Services: The budget changed by \$738,917, or 8.7%. Included was funding for 3.0 FTE totaling \$388,870 as well as a vehicle for the new inspector for \$30,000. Excluding these additions the change would have been \$320,047, or 3.8%.

Significant Changes in Funding Sources

The FY18 Proposed Budget included the following significant changes in funding sources:

- General Fund: Increase of \$704,712, or 11.1%. \$111,127 of that will come from recognition of additional fees, \$329,294 will be reimbursed from the Downtown and Riverfront URA's, with the remaining \$264,291 coming from general sources.
- Construction and Rental Housing: Increase of \$663,585 forecast from a user fee increase and general inflation.
- Community Development: Decreased by \$23,817, or 0.6%. The FY17 Adopted Budget included \$502,100 in reserve for encumbrance for funds under contract but not expended in FY17, but the FY18 Proposed Budget does not include encumbrances, which accounts for the decrease. If that is excluded, the division increased by 11.7%. The largest factor in the increase is the forecast addition of draws for \$410,000 of HUD funding for capacity to assist with a large low-income rehabilitation project. Excluding this the difference would be 1.8%.
- System Development Capital Projects: Increase of \$28,042 from allocated system fees.
- Parking Services: Increase of \$440,352 from parking fees.
- Facilities Services: Decreased \$89,965, or 15.5%. The FY17 Adopted Budget included \$151,424 in reserve for encumbrance for funds under contract but not expended in FY17, but the FY18 Proposed Budget does not include encumbrances, which accounts for the decrease. If that is excluded, the division increased by 14.3%. The Atrium Building is proposing increasing the budget for maintenance and tenant repairs by \$45,000, excluding this the difference would be 3.0%.

Department Budget Changes

Planning and Development

Change by Division	FY17 Adopted Budget	FY18 Proposed Budget	FTE or \$ Change	% Change
Administration and Parking				
Personnel - FTE	16.60	19.10	2.50	15.1%
Total Expenditures	\$6,787,126	\$7,447,888	\$660,762	9.7%
Building and Permit Services				
Personnel - FTE	53.45	56.45	3.00	5.6%
Total Expenditures	\$8,452,293	\$9,191,210	\$738,917	8.7%
Community Development				
Personnel - FTE	14.60	16.10	1.50	10.3%
Total Expenditures	\$6,272,823	\$6,446,916	\$174,093	2.8%
Planning				
Personnel - FTE	15.00	16.00	1.00	6.7%
Total Expenditures	\$2,555,325	\$2,729,552	\$174,227	6.8%
Total Planning and Development Department				
PERSONNEL - FTE	99.65	107.65	8.00	8.0%
TOTAL EXPENDITURES	\$24,067,567	\$25,815,566	\$1,747,999	7.3%

Change by Funding Source

General	\$6,344,533	\$7,049,245	\$704,712	11.1%
Solid Waste and Recycling	969,067	1,002,243	33,176	3.4%
Construction and Rental Housing	6,721,777	7,385,362	663,585	9.9%
Community Development	3,776,835	3,744,932	-31,903	-0.8%
System Dev. Capital Proj.	91,129	119,171	28,042	30.8%
Parking Services	5,581,980	6,022,332	440,352	7.9%
Facilities Services	582,246	492,281	-89,965	-15.5%
TOTAL FUNDING SOURCES	\$24,067,567	\$25,815,566	\$1,747,999	7.3%

Department Financial Summary

	FY15 Actual	FY16 Actual	FY17 Adopted Budget	FY17 Budget 12/31/2016	FY18 Proposed Budget
PERSONNEL-FTE	95.40	98.40	99.65	99.65	107.65
Personnel Services	\$9,632,172	\$10,439,282	\$11,933,432	\$12,446,273	\$13,407,004
Materials and Supplies	6,908,774	7,556,058	12,134,135	12,890,874	12,378,562
Capital Outlay	0	82,071	0	0	30,000
TOTAL EXPENDITURES	\$16,540,946	\$18,077,411	\$24,067,567	\$25,337,147	\$25,815,566
FUND SUMMARY					
General	\$5,555,437	\$5,860,617	\$6,344,533	\$8,303,127	\$7,049,245
Solid Waste/Recycling	664,028	706,915	969,067	1,004,250	1,002,243
Construction and Rental Housing	5,114,207	5,589,032	6,721,777	6,781,324	7,385,362
Community Development	1,501,864	1,842,138	3,776,835	3,276,707	3,744,932
System Dev. Capital Proj.	80,380	99,537	91,129	91,129	119,171
Parking Services	3,366,118	3,729,652	5,581,980	5,420,169	6,022,332
Facilities Services	258,912	249,520	582,246	460,441	492,281
TOTAL	\$16,540,946	\$18,077,411	\$24,067,567	\$25,337,147	\$25,815,566

Service Budget View for FY18

	Revenue		Expenditures		FTE
	General Fund	General Fund	Other Funds	All Funds	All Funds
Public Safety Services					
Social Services	\$0	\$899,000	\$1,501,396	\$2,400,396	0.00
Infrastructure and Planning Services					
Affordable Housing and Job Creation	28,262	674,417	2,243,536	2,917,953	11.47
Construction and Rental Housing	0	0	7,504,533	7,504,533	46.85
Greater Downtown Services	376,000	1,128,567	0	1,128,567	4.63
Land Use Planning	319,127	1,285,287	0	1,285,287	9.70
Metro and Community Planning	0	1,351,918	0	1,351,918	6.30
Parking	0	0	6,022,332	6,022,332	15.00
Public Buildings and Facilities	0	0	492,281	492,281	0.30
Solid Waste and Recycling	79,500	73,153	1,002,243	1,075,396	5.05
Zoning and Nuisance Admin.	59,100	611,281	0	611,281	4.55
Planning and Develop. Dept. Admin.	0	1,025,622	0	1,025,622	3.80
Subtotal	861,989	6,150,245	17,264,925	23,415,170	107.65
Total	\$861,989	\$7,049,245	\$18,766,321	\$25,815,566	107.65

Department View

Planning and Development

Division Financial Summary

	FY15 Actual	FY16 Actual	FY17 Adopted Budget	FY17 Budget 12/31/2016	FY18 Proposed Budget
Administration and Parking					
PERSONNEL-FTE	16.60	16.60	16.60	16.60	19.10
Personnel Services	\$1,534,643	\$1,592,469	\$1,764,732	\$1,840,732	\$2,112,806
Materials and Supplies	2,888,738	3,138,491	5,022,394	4,896,517	5,335,082
TOTAL EXPENDITURES	\$4,423,381	\$4,730,960	\$6,787,126	\$6,737,249	\$7,447,888
FUND SUMMARY					
General	\$798,147	\$752,442	\$817,862	\$1,051,601	\$933,275
Facilities Services	258,912	249,520	582,246	460,441	492,281
Parking Services	3,366,322	3,728,998	5,387,018	5,225,207	6,022,332
TOTAL	\$4,423,381	\$4,730,960	\$6,787,126	\$6,737,249	\$7,447,888
Building and Permit Services					
PERSONNEL-FTE	49.45	52.45	53.45	53.45	56.45
Personnel Services	\$5,273,118	\$5,661,668	\$6,425,100	\$6,425,100	\$7,195,045
Materials and Supplies	1,149,685	1,326,348	2,027,193	2,166,923	1,966,165
Capital Outlay	0	7,945	0	0	30,000
TOTAL EXPENDITURES	\$6,422,803	\$6,995,961	\$8,452,293	\$8,592,023	\$9,191,210
FUND SUMMARY					
General	\$564,187	\$600,477	\$670,320	\$715,320	\$684,434
Construction and Rental Housing	5,114,208	5,589,032	6,721,777	6,781,324	7,385,362
Solid Waste/Recycling	664,028	706,915	969,067	1,004,250	1,002,243
Systems Dev. Cap. Proj.	80,380	99,537	91,129	91,129	119,171
TOTAL	\$6,422,803	\$6,995,961	\$8,452,293	\$8,592,023	\$9,191,210
Community Development					
PERSONNEL-FTE	14.35	14.35	14.60	14.60	16.10
Personnel Services	\$1,278,862	\$1,425,535	\$1,709,150	\$2,145,991	\$1,921,435
Materials and Supplies	2,444,018	2,644,400	4,563,673	4,473,932	4,525,481
Capital Outlay	0	74,126	0	0	0
TOTAL EXPENDITURES	\$3,722,880	\$4,144,061	\$6,272,823	\$6,619,923	\$6,446,916
FUND SUMMARY					
General	\$2,221,221	\$2,301,268	\$2,301,026	\$3,148,254	\$2,701,984
Community Development	1,501,864	1,842,138	3,776,835	3,276,707	3,744,932
Parking Services	-205	655	194,962	194,962	0
TOTAL	\$3,722,880	\$4,144,061	\$6,272,823	\$6,619,923	\$6,446,916
Planning					
PERSONNEL-FTE	15.00	15.00	15.00	15.00	16.00
Personnel Services	\$1,545,550	\$1,759,610	\$2,034,450	\$2,034,450	\$2,177,718
Materials and Supplies	426,332	446,818	520,875	1,353,502	551,834
TOTAL EXPENDITURES	\$1,971,882	\$2,206,428	\$2,555,325	\$3,387,952	\$2,729,552
FUND SUMMARY					
General	\$1,971,882	\$2,206,428	\$2,555,325	\$3,387,952	\$2,729,552

This section sets out significant changes in the department's FY18 Proposed Budget versus the FY17 Adopted Budget. Significant is defined as any change in full-time equivalent employees (FTE), any percentage change that is above 5%, or any budget reduction. Changes below 5% are generally due to normal year-to-year inflationary increases in contracts, salaries, health and benefit costs and internal service charges.

Changes in Full-Time Equivalent Employees

There are no FTE changes in the Police Department for the FY18 Proposed Budget.

Significant Changes in Expenditures by Division

The FY18 Proposed Operating Budget includes the following significant changes, by division:

- Investigations: Budget decreased by \$22,590, or 0.3% from FY17 Adopted Budget to FY18 Proposed Budget. The largest change was the expiration of limited duration funding of \$250,000 in both FY16 and FY17 to further implement changes in the Evidence Control Unit as a result of an audit in 2014. After accounting for that change, the budget increased by \$227,410 or 2.9%.
- Office of the Chief: Budget increased by \$297,197, or 11.0%. The largest change was moving the annual contribution for the Lane regional radio system from the Operations Support Division. This is an increase of \$240,000 for the Office of the Chief and an equal reduction for Operations Support. After accounting for this shift, the budget increased by \$57,197, or 1.9%.
- Operations Support: Budget decreased by \$669,627, or 17.2%. A portion of the decrease in Operations Support is due shifting of the annual contribution for the Lane regional radio system to the Office of the Chief as described above. The second reason for the decrease is a shift of major contracts for services for CAHOOTS, Buckley House, Looking Glass, etc. totaling \$1,026,000 to the Patrol division which directly utilizes and benefits from these services. This is a reduction for Operations Support and an increase for Patrol. Additionally, three positions inadvertently paid from other units were moved to Operations Support resulting in an increase of \$446,853. After accounting for these shifts, the budget in Operations Support decreased by \$95,713, or 3.2%.
- Patrol: Budget increased by \$2,217,908, or 7.9%. The largest change (\$1,026,000) was from moving major contracts for services from its Operations Support division, as described above. In addition, there is one time increase of \$200,000 for FY18 dedicated to enhanced patrol services in the downtown and adjacent parks. Also, EPD provides law enforcement services to the community for various events including parades, runs, concerts, demonstrations, neighborhood gatherings, escorts, etc. Those services have increased as has the reimbursed cost for those services, which has increased revenue and expense by \$200,000. After accounting for these shifts, the budget increased by \$791,908 or 2.8%.
- Technical Services: Budget decreased by \$48,395, or 0.4%. The FY18 Proposed Budget has reduced spending to be within the limits of the anticipated revenue from the Oregon Office of Emergency Management for the Public Safety Answering Point (PSAP) 9-1-1 call taking services. This includes a reduction in overtime and contractual services.

Significant Changes in Funding Sources

The FY18 Proposed Budget included the following significant changes in funding sources:

- Public Safety Communications: Budget decreased by \$310,549, or 12.6% from FY17 Adopted Budget to FY18 Proposed Budget. The Oregon Office of Emergency Management provides funding for 9-1-1 call taking through its Public Safety Answering Point System (PSAP). Historically, EPD budgeted higher than the actual revenue realized. In the FY18 budget spending was reduced to be within the limits of the reserves and the anticipated revenue. Additionally, a pass-through revenue was eliminated, along with the expense associated with the cost of the equipment system that the State provides.
- Municipal Airport: Budget increased by \$57,721, or 10.0%. Four officers are assigned to support City airport operations. While personnel costs have increased over the past few years, the airport has not increased its funding to support these costs. The FY18 increase is the first of two increases (another in FY19) for the airport to fully cover the costs of law enforcement operations at that location.

Department Budget Changes

Police

Change by Division	FY17	FY18	FTE or \$ Change	% Change
	Adopted Budget	Proposed Budget		
Investigations				
Personnel - FTE	47.66	47.66	0.00	0.0%
Total Expenditures	\$8,139,154	\$8,116,564	-\$22,590	-0.3%
Office of the Chief				
Personnel - FTE	17.00	17.00	0.00	0.0%
Total Expenditures	\$2,712,000	\$3,009,197	\$297,197	11.0%
Operations Support				
Personnel - FTE	13.50	13.50	0.00	0.0%
Total Expenditures	\$3,884,556	\$3,214,929	-\$669,627	-17.2%
Patrol				
Personnel - FTE	167.00	166.00	-1.00	-0.6%
Total Expenditures	\$27,963,007	\$30,180,915	\$2,217,908	7.9%
Technical Services				
Personnel - FTE	83.00	84.00	1.00	1.2%
Total Expenditures	\$11,598,591	\$11,550,196	-\$48,395	-0.4%
Total Police Department				
PERSONNEL - FTE	328.16	328.16	0.00	0.0%
TOTAL EXPENDITURES	\$54,297,308	\$56,071,801	\$1,774,493	3.3%

Note: The reduction of FTE shown in Patrol is due to a system glitch that inadvertently moved a position from Technical Services to Patrol. That error was corrected in FY18. Actual FTE in Patrol and in Technical Services did not change.

Change by Funding Source

General	\$51,252,004	\$53,279,325	\$2,027,321	4.0%
Public Safety Communications	2,468,749	2,158,200	-310,549	-12.6%
Municipal Airport	576,555	634,276	57,721	10.0%
TOTAL FUNDING SOURCES	\$54,297,308	\$56,071,801	\$1,774,493	3.3%

Department Financial Summary

	FY15 Actual	FY16 Actual	FY17 Adopted Budget	FY17 Budget 12/31/2016	FY18 Proposed Budget
PERSONNEL-FTE	328.16	328.16	328.16	328.16	328.16
Personnel Services	\$40,119,985	\$43,040,977	\$44,091,144	\$44,742,905	\$45,971,341
Materials and Services	9,659,613	9,712,082	10,175,083	11,350,071	10,100,460
Capital Outlay	1,444,556	279,129	31,081	112,568	0
TOTAL EXPENDITURES	\$51,224,154	\$53,032,188	\$54,297,308	\$56,205,544	\$56,071,801
FUND SUMMARY					
General	\$47,991,488	\$50,050,092	\$51,252,004	\$52,710,240	\$53,279,325
Public Safety Communications	2,720,251	2,430,889	2,468,749	2,918,749	2,158,200
Municipal Airport	512,415	551,207	576,555	576,555	634,276
TOTAL	\$51,224,154	\$53,032,188	\$54,297,308	\$56,205,544	\$56,071,801

Service Budget View for FY18

	Revenue		Expenditures		FTE
	General Fund	General Fund	Other Funds	All Funds	All Funds
Public Safety Services					
Animal Services	\$230,000	\$915,786	\$0	\$915,786	3.00
Call Taking/Dispatch	1,350,000	6,822,998	2,158,200	8,981,198	58.50
Police Investigations	25,325	8,136,656	0	8,136,656	47.66
Police Records Mgmt. and Analysis	30,000	2,569,001	0	2,569,001	25.50
Police Patrol Services	1,280,350	33,239,125	0	33,239,125	183.50
Police Department Admin.	2,000	1,595,759	0	1,595,759	7.00
Subtotal	2,917,675	53,279,325	2,158,200	55,437,525	325.16
Infrastructure and Planning Services					
Airport	0	0	634,276	634,276	3.00
Total	\$2,917,675	\$53,279,325	\$2,792,476	\$56,071,801	328.16

Division Financial Summary

	FY15 Actual	FY16 Actual	FY17 Adopted Budget	FY17 Budget 12/31/2016	FY18 Proposed Budget
Investigations					
PERSONNEL-FTE	100.66	48.66	47.66	47.66	47.66
Personnel Services	\$12,514,805	\$13,713,891	\$6,928,449	\$6,928,449	\$7,119,478
Materials and Services	987,611	1,133,444	1,210,705	1,329,805	997,086
Capital Outlay	8,584	107,952	0	20,000	0
TOTAL EXPENDITURES	\$13,511,000	\$14,955,287	\$8,139,154	\$8,278,254	\$8,116,564
FUND SUMMARY					
General	\$13,511,000	\$14,955,287	\$8,139,154	\$8,278,254	\$8,116,564
Office of the Chief					
PERSONNEL-FTE	17.00	17.00	17.00	17.00	17.00
Personnel Services	\$1,767,172	\$1,825,736	\$2,319,893	\$2,319,893	\$2,373,098
Materials and Services	230,308	318,761	392,107	605,390	636,099
TOTAL EXPENDITURES	\$1,997,480	\$2,144,497	\$2,712,000	\$2,925,283	\$3,009,197
FUND SUMMARY					
General	\$1,997,480	\$2,144,497	\$2,712,000	\$2,925,283	\$3,009,197
Operations Support					
PERSONNEL-FTE	12.50	12.50	13.50	13.50	13.50
Personnel Services	\$1,429,006	\$1,697,393	\$1,517,474	\$1,571,735	\$1,787,258
Materials and Services	1,998,200	1,990,643	2,336,001	2,637,480	1,427,671
Capital Outlay	47,858	68,748	31,081	31,081	0
TOTAL EXPENDITURES	\$3,475,064	\$3,756,784	\$3,884,556	\$4,240,296	\$3,214,929
FUND SUMMARY					
General	\$3,452,490	\$3,750,765	\$3,879,146	\$4,234,886	\$3,214,926
Public Safety Communications	22,574	6,019	5,410	5,410	3
TOTAL	\$3,475,064	\$3,756,784	\$3,884,556	\$4,240,296	\$3,214,929
Patrol					
PERSONNEL-FTE	114.00	167.00	167.00	166.00	166.00
Personnel Services	\$15,891,702	\$16,588,835	\$23,927,748	\$24,425,248	\$24,783,672
Materials and Services	4,219,331	3,968,608	4,035,259	4,126,385	5,397,243
Capital Outlay	270,077	73,629	0	61,487	0
TOTAL EXPENDITURES	\$20,381,110	\$20,631,072	\$27,963,007	\$28,613,120	\$30,180,915
FUND SUMMARY					
General	\$19,868,695	\$20,079,865	\$27,386,452	\$28,036,565	\$29,546,639
Municipal Airport	512,415	551,207	576,555	576,555	634,276
TOTAL	\$20,381,110	\$20,631,072	\$27,963,007	\$28,613,120	\$30,180,915

Department View

Police

Technical Services	FY15 Actual	FY16 Actual	FY17 Adopted Budget	FY17 Budget 12/31/2016	FY18 Proposed Budget
PERSONNEL-FTE	84.00	83.00	83.00	84.00	84.00
Personnel Services	\$8,517,299	\$9,215,122	\$9,397,580	\$9,497,580	\$9,907,835
Materials and Services	2,224,164	2,300,626	2,201,011	2,651,011	1,642,361
Capital Outlay	1,118,037	28,800	0	0	0
TOTAL EXPENDITURES	\$11,859,500	\$11,544,548	\$11,598,591	\$12,148,591	\$11,550,196
FUND SUMMARY					
General	\$9,161,823	\$9,119,679	\$9,135,252	\$9,235,252	\$9,391,999
Public Safety Communications	2,697,677	2,424,869	2,463,339	2,913,339	2,158,197

This section sets out significant changes in the department's FY18 Proposed Budget versus the FY17 Adopted Budget. Significant is defined as any change in full-time equivalent employees (FTE), any percentage change that is above 5%, or any budget reduction. Changes below 5% are generally due to normal year-to-year inflationary increases in contracts, salaries, health and benefit costs and internal service charges.

Changes in Full-Time Equivalent Employees

The FY18 Proposed Budget includes an increase of 3.0 FTE in the Public Works Department. The changes consist of the following:

- Airport Division added 1.0 FTE for an Airport Worker to be part of a crew that provides critical support and maintenance of the airfield.
- Administration Division added 1.0 FTE for a Utility Administration Coordinator to offset the additional workload associated with the implementation of EWEB's new customer information system.
- Maintenance Division added 1.0 FTE for a Utility Locate Technical Specialist.

Significant Changes in Expenditures by Division

The FY18 Proposed Operating Budget includes the following significant changes, by division:

- Administration: The overall increase of \$569,741 or 10.4% is primarily due to the following increases: the addition of a new Utility Administration Coordinator for \$90,000, an increase in the City Utility ROW Fees of \$97,000, a projected increase in the administrative fee paid to EWEB for the billing and collection of the stormwater and wastewater fees of \$105,000, and the reimbursement of the Systems Development Charges (SDCs) for the VA Clinic for \$138,105. Excluding these changes, the budget went up by \$139,636 or 2.6%.
- Engineering: The reduction of \$13,327 or 0.1% is due the overall budget having little variation. The FY18 Proposed Budget includes no change in staffing levels, however, increases in salaries and fringe benefits have been offset in other line items that do not need to be funded at the level they were previously. Several contracts were budgeted in FY17 or previous years (South Willamette, Aurigo, LED Installation, Em X, W. 11th Bridge) that are not budgeted in FY18.
- Maintenance: The reduction of \$48,210 or 0.1% is primarily due to the budgeting of vehicle replacement which will fluctuate each year depending on the schedule of vehicles to be replaced. Additionally, the cost of fuel has stabilized over the last couple of years and the amount of fuel used has decreased thus offsetting other increases.
- Wastewater: The overall reduction of \$4.6M or 22.8% in the Wastewater Division is primarily due to a large one-time FY17 appropriation. The one-time item includes the replacement of biogas cogeneration equipment at the regional wastewater treatment plant for \$5,300,000. Excluding this item, the budget increased by \$936,227 or 4.1%.

Significant Changes in Funding Sources

The FY18 Proposed Budget included the following significant changes in funding sources:

- General Fund: The budget increased by 8.2% or \$487,823. The primary reasons for the increase are Parks Security costs (\$100,000) and the Systems Development Charges for the Veterans Affairs Clinic reimbursement (\$138,105). Excluding these changes, the budget increased \$249,718, or 4.2%.
- Road Fund: The Road Fund budget decreased by \$198,046 or 1.6%. The FY17 Adopted Budget included \$520,850 in reserve for encumbrances for funds under various contracts but not expended in FY17, and the FY18 Proposed Budget does not include encumbrances. Excluding this change, the budget increased by \$322,804 or 2.7%.
- System Development Capital Projects: The System Development Capital Projects Fund (Administration Costs) is proposed to increase by \$29,205 or 5.8%. The main reason for the increase is budgeted consultant contract costs for review of the SDCsystems for \$26,391. Excluding this item, the budget increased by \$2,814 or 1%.
- Parking Services: The budget decreased by 6.8% or about \$5,700. The main reason for this decrease is that Public Works has moved to a new service model with PDD that has resulted in a reduction of overtime costs and other related costs.
- Wastewater Utility: The overall reduction of \$4.3 million or 15.5% in the Wastewater Utility Fund (which includes both regional and local) is primarily due to several one-time FY17 appropriations, described in the Significant Changes in Expenditures by Division section.
- Stormwater Utility: The Stormwater Utility Fund has an overall reduction of \$26,240 or 0.2%. The FY17 Adopted Budget included \$520,850 in reserve for encumbrances for funds under various contracts but not expended in FY17, and the FY18 Proposed Budget does not include encumbrances. Excluding these contracts, the budget increased by \$485,360 or 3.3%.
- Fleet Services: The Fleet Services budget has an overall reduction of \$224,407 or 1.4%. This reduction is primary due the budgeting of vehicle replacement which will fluctuate each year depending on the schedule of vehicles to be replaced. Additionally, fuel prices have stabilized over the last few years and the amount of fuel used has decreased thus offsetting other increases.

Department Budget Changes

Public Works

Change by Division	FY17	FY18	FTE or \$ Change	% Change
	Adopted Budget	Proposed Budget		
Administration				
Personnel - FTE	16.00	17.00	1.00	6.3%
Total Expenditures	\$5,474,081	\$6,043,822	\$569,741	10.4%
Airport				
Personnel - FTE	38.50	39.50	1.00	2.6%
Total Expenditures	\$7,991,489	\$8,040,555	\$49,066	0.6%
Engineering				
Personnel - FTE	76.00	76.00	0.00	0.0%
Total Expenditures	\$12,270,242	\$12,256,915	-\$13,327	-0.1%
Maintenance				
Personnel - FTE	130.25	131.25	1.00	0.8%
Total Expenditures	\$34,722,409	\$34,674,199	-\$48,210	-0.1%
Parks and Open Space				
Personnel - FTE	79.10	79.10	0.00	0.0%
Total Expenditures	\$12,298,492	\$12,451,976	\$153,484	1.2%
Wastewater				
Personnel - FTE	83.50	83.50	0.00	0.0%
Total Expenditures	\$20,484,984	\$15,811,208	-\$4,673,776	-22.8%
Total Public Works Department				
PERSONNEL - FTE	423.35	426.35	3.00	0.7%
TOTAL EXPENDITURES	\$93,241,697	\$89,278,675	-\$3,963,022	-4.3%

Change by Funding Source

General	\$5,975,207	\$6,463,030	\$487,823	8.2%
Road	12,312,222	12,114,176	-198,046	-1.6%
Construction and Rental Housing	449,877	465,363	15,486	3.4%
Systems Dev. Cap Proj.	502,248	531,453	29,205	5.8%
Municipal Airport	8,038,977	8,087,699	48,722	0.6%
Parking Services	84,443	78,727	-5,716	-6.8%
Wastewater Utility	28,151,830	23,788,057	-4,363,773	-15.5%
Stormwater Utility	15,334,684	15,308,444	-26,240	-0.2%
Fleet Services	16,094,990	15,870,583	-224,407	-1.4%
Professional Services	6,297,219	6,571,143	273,924	4.3%
TOTAL FUNDING SOURCES	\$93,241,697	\$89,278,675	-\$3,963,022	-4.3%

Department Financial Summary

	FY15 Actual	FY16 Actual	FY17 Adopted Budget	FY17 Budget 12/31/2016	FY18 Proposed Budget
PERSONNEL-FTE	421.25	422.25	423.35	423.35	426.35
Personnel Services	\$40,560,139	\$42,813,235	\$46,787,018	\$46,811,000	\$49,130,097
Materials and Services	25,608,811	27,755,913	35,534,270	32,229,575	29,645,101
Capital Outlay	3,887,380	3,324,600	10,920,409	16,961,585	10,503,477
TOTAL EXPENDITURES	\$70,056,330	\$73,893,748	\$93,241,697	\$96,002,160	\$89,278,675
FUND SUMMARY					
General	\$5,477,758	\$5,993,453	\$5,975,207	\$6,151,407	\$6,463,030
Road	10,317,522	12,461,833	12,312,222	12,781,607	12,114,176
Construction and Rental Housing	405,328	411,801	449,877	449,877	465,363
Systems Devel. Cap. Proj.	330,961	232,238	502,248	497,730	531,453
Municipal Airport	6,346,607	6,649,995	8,038,977	8,274,224	8,087,699
Parking Services	47,163	76,401	84,443	76,628	78,727
Wastewater Utility	19,414,409	20,662,901	28,151,830	27,532,916	23,788,057
Stormwater Utility	13,111,724	13,291,306	15,334,684	15,321,784	15,308,444
Fleet Services	9,104,879	8,135,384	16,094,990	18,361,069	15,870,583
Professional Services	5,499,979	5,978,436	6,297,219	6,554,918	6,571,143
TOTAL	\$70,056,330	\$73,893,748	\$93,241,697	\$96,002,160	\$89,278,675

Service Budget View for FY18

	Revenue		Expenditures		FTE
	General Fund	General Fund	Other Funds	All Funds	All Funds
Infrastructure and Planning Services					
Airport	\$0	\$0	\$8,087,699	\$8,087,699	39.91
Construction and Rental Housing	0	0	1,622,646	1,622,646	12.20
Parks and Open Space	109,028	4,405,217	149,792	4,555,009	26.92
Parking	0	0	78,727	78,727	0.00
Infrastructure Project and Info. Mgt.	0	0	6,571,143	6,571,143	42.29
Stormwater	0	0	13,784,224	13,784,224	75.41
Transportation	0	204,980	11,367,118	11,572,098	57.88
Urban Forestry	15,000	105,201	1,683,917	1,789,118	11.30
Wastewater Collection and Treatment	0	0	23,599,796	23,599,796	122.84
Public Works Department Admin.	0	1,658,959	0	1,658,959	7.65
Subtotal	124,028	6,374,357	66,945,062	73,319,419	396.40
Culture and Recreation Services					
Athletics	0	88,673	0	88,673	0.75
Central Business Functions					
Fleet and Radio Communication Svcs.	0	0	15,870,583	15,870,583	29.20
Total	\$124,028	\$6,463,030	\$82,815,645	\$89,278,675	426.35

Division Financial Summary

	FY15 Actual	FY16 Actual	FY17 Adopted Budget	FY17 Budget 12/31/2016	FY18 Proposed Budget
Administration					
PERSONNEL-FTE	16.00	16.00	16.00	16.00	17.00
Personnel Services	\$1,763,710	\$1,873,221	\$2,002,751	\$2,002,751	\$2,181,631
Materials and Services	2,813,975	3,001,325	3,471,330	3,481,330	3,862,191
TOTAL EXPENDITURES	\$4,577,685	\$4,874,546	\$5,474,081	\$5,484,081	\$6,043,822
FUND SUMMARY					
General	\$1,120,177	\$1,290,074	\$1,470,761	\$1,480,761	\$1,658,959
Road	129,565	131,812	172,196	172,196	177,389
Wastewater Utility	1,468,668	1,504,224	1,645,152	1,645,152	1,862,376
Stormwater Utility	1,659,412	1,755,716	1,938,438	1,938,438	2,084,382
Professional Services	199,863	192,720	247,534	247,534	260,716
TOTAL	\$4,577,685	\$4,874,546	\$5,474,081	\$5,484,081	\$6,043,822
Airport					
PERSONNEL-FTE	37.00	37.00	38.50	38.50	39.50
Personnel Services	\$3,397,431	\$3,736,312	\$4,111,660	\$4,111,660	\$4,403,439
Materials and Services	2,757,887	2,798,679	3,704,829	3,940,076	3,526,116
Capital Outlay	139,277	61,442	175,000	175,000	111,000
TOTAL EXPENDITURES	\$6,294,595	\$6,596,433	\$7,991,489	\$8,226,736	\$8,040,555
FUND SUMMARY					
Municipal Airport	\$6,293,274	\$6,594,286	\$7,982,326	\$8,217,573	\$8,031,163
Professional Services	1,321	2,147	9,163	9,163	9,392
TOTAL	\$6,294,595	\$6,596,433	\$7,991,489	\$8,226,736	\$8,040,555
Engineering					
PERSONNEL-FTE	75.60	75.60	76.00	76.00	76.00
Personnel Services	\$7,968,788	\$8,496,343	\$9,276,361	\$9,276,361	\$9,692,109
Materials and Services	1,994,472	3,310,022	2,993,881	3,835,838	2,524,806
Capital Outlay	10,714	5,601	0	22,103	40,000
TOTAL EXPENDITURES	\$9,973,974	\$11,811,966	\$12,270,242	\$13,134,302	\$12,256,915
FUND SUMMARY					
General	\$35,281	\$62,942	\$64,365	\$106,583	\$66,575
Road	1,910,109	3,305,003	2,597,836	3,135,266	2,272,751
Construction and Rental Housing	291,139	292,582	335,422	335,422	345,092
System Devel. Cap. Proj.	221,422	167,800	372,248	367,730	401,453
Wastewater Utility	996,922	1,059,755	1,509,819	1,513,461	1,556,732
Stormwater Utility	1,653,791	1,617,723	1,993,689	2,021,278	1,988,329
Fleet Services	10,265	10,779	19,785	19,785	20,692
Professional Services	4,855,045	5,295,382	5,377,078	5,634,777	5,605,291
TOTAL	\$9,973,974	\$11,811,966	\$12,270,242	\$13,134,302	\$12,256,915

Department View

Public Works

Maintenance	FY15 Actual	FY16 Actual	FY17 Adopted Budget	FY17 Budget 12/31/2016	FY18 Proposed Budget
PERSONNEL-FTE	131.25	131.25	130.25	130.25	131.25
Personnel Services	\$11,962,294	\$12,468,450	\$13,948,655	\$13,968,655	\$14,521,053
Materials and Services	10,880,773	11,077,082	14,676,445	12,059,845	11,239,529
Capital Outlay	2,730,430	1,965,488	6,097,309	10,766,408	8,913,617
TOTAL EXPENDITURES	\$25,573,497	\$25,511,020	\$34,722,409	\$36,794,908	\$34,674,199
FUND SUMMARY					
General	\$150,923	\$167,698	\$135,407	\$155,407	\$139,793
Road	6,957,711	7,614,852	8,019,931	7,969,027	8,109,870
Construction and Rental Housing	114,189	119,219	114,455	114,455	120,271
Municipal Airport	53,332	55,709	56,651	56,651	56,536
Parking Services	47,163	76,401	84,443	76,628	78,727
Wastewater Utility	4,576,753	4,683,099	5,006,123	4,854,991	5,069,456
Stormwater Utility	4,448,408	4,520,756	5,076,706	5,072,977	5,091,443
Fleet Services	9,094,614	8,124,605	16,075,205	18,341,284	15,849,891
Professional Services	130,404	148,681	153,488	153,488	158,212
TOTAL	\$25,573,497	\$25,511,020	\$34,722,409	\$36,794,908	\$34,674,199
Parks and Open Space					
PERSONNEL-FTE	77.90	78.90	79.10	79.10	79.10
Personnel Services	\$7,339,619	\$7,649,280	\$8,243,260	\$8,247,242	\$8,693,516
Materials and Services	3,475,874	3,611,643	4,055,232	4,101,331	3,708,460
Capital Outlay	14,024	0	0	0	50,000
TOTAL EXPENDITURES	\$10,829,517	\$11,260,923	\$12,298,492	\$12,348,573	\$12,451,976
FUND SUMMARY					
General	\$4,171,376	\$4,472,740	\$4,304,674	\$4,408,656	\$4,597,703
Road	1,320,137	1,410,166	1,522,259	1,505,118	1,554,166
System Devel. Cap. Proj.	109,539	64,438	130,000	130,000	130,000
Wastewater Utility	10,835	14,511	7,906	7,906	12,906
Stormwater Utility	4,904,282	4,959,563	5,823,697	5,786,937	5,619,669
Professional Services	313,348	339,505	509,956	509,956	537,532
TOTAL	\$10,829,517	\$11,260,923	\$12,298,492	\$12,348,573	\$12,451,976
Wastewater					
PERSONNEL-FTE	83.50	83.50	83.50	83.50	83.50
Personnel Services	\$8,128,298	\$8,589,629	\$9,204,331	\$9,204,331	\$9,638,349
Materials and Services	3,685,829	3,957,163	6,632,553	4,811,155	4,783,999
Capital Outlay	992,937	1,292,068	4,648,100	5,998,074	1,388,860
TOTAL EXPENDITURES	\$12,807,064	\$13,838,860	\$20,484,984	\$20,013,560	\$15,811,208
FUND SUMMARY					
Wastewater Utility	\$12,361,232	\$13,401,312	\$19,982,830	\$19,511,406	\$15,286,587
Stormwater Utility	445,832	437,548	502,154	502,154	524,621
TOTAL	\$12,807,064	\$13,838,860	\$20,484,984	\$20,013,560	\$15,811,208

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Policy Direction

The Financial Management Goals and Policies provide the framework and direction for financial planning and decision-making by the City Council and City staff. They are designed to ensure the financial integrity of the City and facilitate a service delivery system that addresses the needs and desires of citizens.

Fund Accounting

Governmental accounting is distinctly different from accounting in private businesses. Business' financial reports are used as a tool to generate profits for owners and shareholders. The focus of governmental accounting and financial reporting is to control the use of public resources and disclose financial results of spending and service delivery decisions made by elected officials and government executives.

To accomplish this, a fund accounting system is used. The fund accounting system groups revenues and expenditures together into accounting entities, called "funds," which are segregated by the different purposes and legal restrictions surrounding government resources and activities. Each fund is a set of accounts, recording all assets, liabilities, and residual equities, within the fund.

Since there are legal, administrative, and political constraints on the use of resources, they are grouped into respective funds for the purpose of monitoring and controlling expenditures. The reports generated from the fund accounting system present information according to Oregon Local Budget Law and Generally Accepted Accounting Principles (GAAP) for governments. Municipalities may incur expenditures only for the purposes and amounts approved by the governing body.

The various funds of the City are grouped into two categories, as follows:

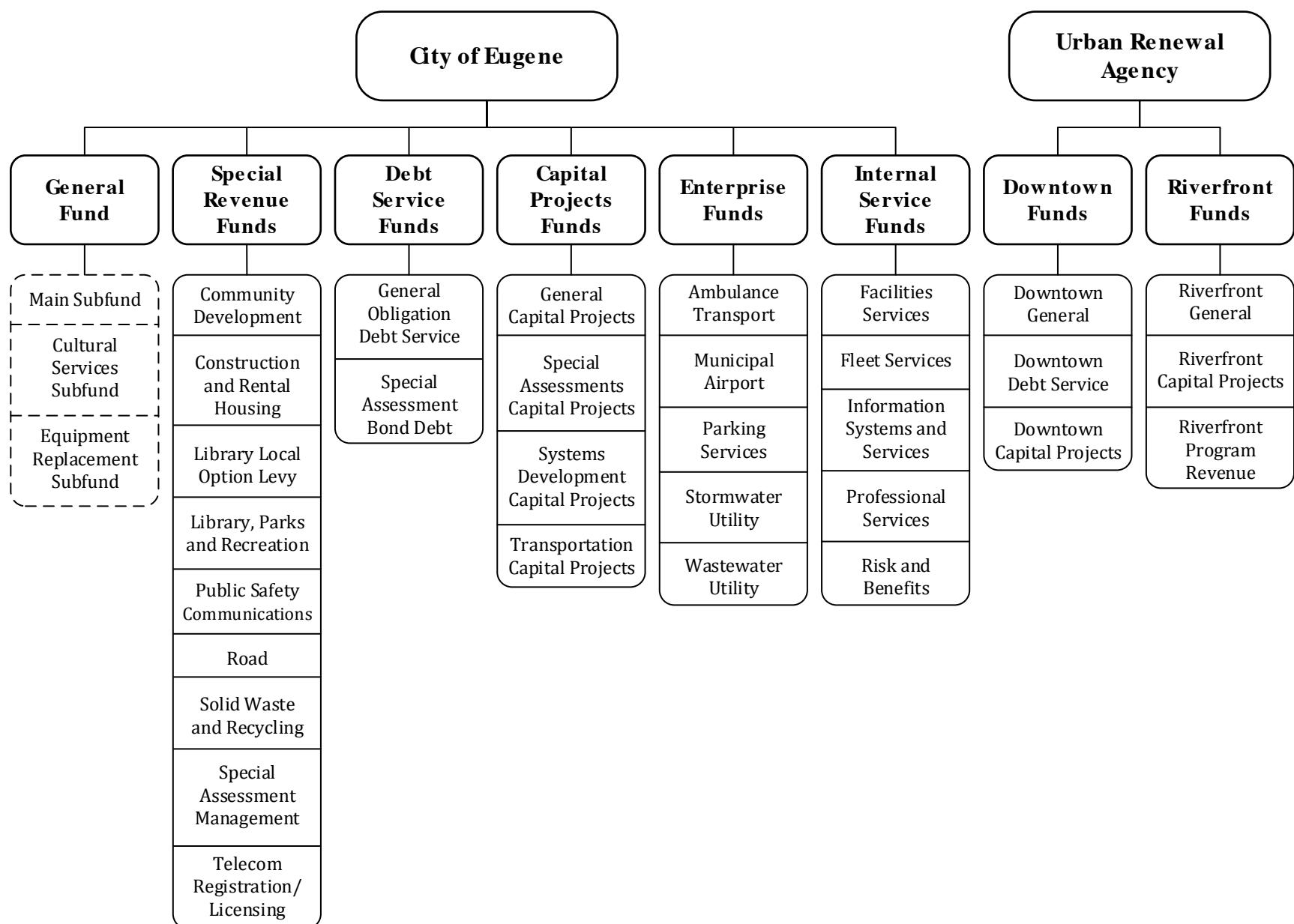
Governmental Fund Types – Governmental funds are those through which most governmental functions of the City are financed including the General Fund, special revenue funds, capital projects funds, and debt service funds. The focus of governmental funds is determining the change in current financial resources rather than determining net income.

Proprietary Fund Types – Proprietary funds are used to account for the City's ongoing activities that are similar to those in the private sector, including enterprise funds and internal service funds. The focus of proprietary funds is determining net income.

Although monies may be transferred or loaned from one fund to another, the overall objective is to maintain the independence of each fund as much as possible. Fund accounting allows the City to maintain the appropriate controls over fund expenditures and provides for reporting fund activities to interested citizens. The diagrams on the following pages provide additional details regarding the various types of funds. The Fund Matrix Section in this document includes more specific information about the City's funds, including their purpose, primary revenue sources and expenditures, and restrictions.

Fund Summary

Fund Structure



GOVERNMENTAL FUND TYPES

Governmental funds are those through which most governmental functions of the City are financed. The financial measurement focus for these funds is determining the change in current financial resources rather than determining net income.

General Fund

Records financial activities not accounted for in other funds. These resources support most central business services, public safety services, cultural/leisure services, and some public development services.

Special Revenue Funds

Account for restricted resources designated for specific uses such as Telecom Registration/Licensing revenues or the Road Fund.

Debt Service Funds

Account for resources used for the payment of debt, including principal and interest.

Capital Projects Funds

Account for financial resources for the acquisition, construction, and maintenance of capital facilities.

PROPRIETARY FUND TYPES

Proprietary funds are used to account for the City's ongoing activities that are similar to those in the private sector. The financial measurement focus for these funds is determining net income.

Enterprise Funds

Account for goods or services which are provided on a continuing basis to the general public and are financed primarily through user charges. An enterprise fund is managed much like a business in that it is self-supporting in nature such as the Airport or Wastewater Funds.

Internal Service Funds

Account for goods or services furnished internally from one division to another such as Fleet or Facility Services. The goal of these programs is to appropriately apportion the costs of the programs and services across City divisions.

Fund Summary

Fund Matrix

General Fund (GF) - used to account for financial activities not reported in another fund					
Subfund Name and Number	Purpose	Primary Funding Sources	Primary Expenditures	Spending Restrictions	FY18 Proposed Budget Document Reference
Reporting Fund (010)	Fund 010 is the General Fund reporting fund. The subfunds (011, 031, 041) "roll up" to this fund for reporting purposes.				Page 116
Main Subfund (011)	General purpose government operations.	Property tax revenues, contributions in lieu of tax and user fees.	Police and fire services, library and recreation services, parks maintenance services, planning services and general administration.	Most revenues are unrestricted; grant funds are restricted by granting agency. Some funds are pass-throughs to other governments.	Page 117
Cultural Services Subfund (031)	To account for the operation of the Hult Center, community events, public art and Cuthbert Amphitheater.	Transient room tax revenue, rental, ticket office and patron user fees.	Operation and management of the Hult Center and Cuthbert Amphitheater.	State statute requires that 100% of revenue from the City's 4.5% transient room tax is used to promote tourism and tourism-related facilities.	Page N/A
Equipment Replacement Subfund (041)	To account for resources associated with future replacement of General Fund equipment other than vehicles.	General Fund transfer and department matching funds.	General Fund equipment including fire turnouts, fire self-contained breathing apparatus (SCBA), police weapons and forensic equipment, generators and library materials handling system.	Revenue source is unrestricted, however, Departments must contribute 50% match to access equipment replacement funds, and typically the item must total at least \$20,000.	Page N/A

Fund Summary

Fund Matrix

Special Revenue Funds - used to account for the proceeds of certain revenue sources that are legally restricted to expend for specific purposes					
Reporting Fund Name and Number (listed alphabetically)	Purpose	Primary Funding Sources	Primary Expenditures	Spending Restrictions	FY18 Proposed Budget Document Reference
Community Development Fund (170)	To account for grant revenues received from the federal government related to economic development and affordable housing.	Federal grants and loan repayments.	Eligible capital projects, Broadway Commerce Center, low income housing loans for historic properties and commercial revitalization.	Community Development Block Grant (CDBG) and HOME funds must meet the federal government criteria of benefiting low to moderate income individuals' needs, eliminating blight and addressing urgent needs.	Page 118
Construction and Rental Housing Fund (150)	To account for construction permit activities and collection of rental housing fund program activities.	Construction permit fees and annual fees from rental housing program.	Program activities including land use enforcement, structural integrity and safety.	City Code 7.300 and 8.440 - Recover all of the City's costs related to processing the application for the permit and inspecting the work during and after completion of the work; to provide a reasonable return to the public for the permitted on-going use of the public way; and offsetting the costs to the City associated with the enforcement of rental housing code.	Page 119
Library Local Option Levy (111)	To account for local option levy property taxes for library service enhancements.	Local option property tax levy from FY18 through FY21.	Library enhancement services described in Ballot Measure 20-235: expand access by adding more hours; increase programming, with focus on supporting early literacy, success in school and career development (including "makerspace"), and providing offsite programming directly to community members; providing \$300,000 per year for new books and other resources; and providing laptops/tables for public use.	Can only be used for purposes identified in the ballot measure. The measure requires an annual report on spending to be reviewed by the Library Advisory Board and made available to the City Council and the public.	Page 120
Library, Parks and Recreation Fund (180)	To account for contributions from private donors to support the public library and City-owned parks and recreation facilities and the arts.	Private donations.	Per the designation of the donor.	Designation upon receipt of donation.	Page 121
Public Safety Communications Fund (130)	To account for the operation of 9-1-1 call taking and the operations and maintenance of the regional radio system.	Telephone excise tax, intergovernmental revenue and revenues from other governments that subscribe to the communications systems.	9-1-1 call taking center and operations and maintenance of the public safety regional radio system.	Oregon Revised Statutes (ORS) 403 restricts use of state 9-1-1 tax funds to 9-1-1 operations and an Intergovernmental Agreement (IGA) between participating jurisdictions limits use of those revenues to funding of the regional radio system.	Page 122
Road Fund (131)	To account for the operations and maintenance of the City's street transportation system.	State Highway Trust Fund allocations, revenue from the utility systems for the use and occupancy of the City's right-of-way and other grants, fees and permits.	Street surface repair, street lighting, signing and striping, traffic signal maintenance, transportation planning and engineering and street tree maintenance.	Funding must be used for road related purposes defined by ORS 366.785-366.820, 366.514, and Article IX, section 3a, of the Oregon Constitution and may be limited to specific projects stated in each grant award.	Page 123
Solid Waste and Recycling Fund (155)	To account for activity associated with solid waste and recycling efforts.	Solid waste hauler license fees.	Regulation of solid waste collection services and development/promotion of waste prevention and green building efforts.	City Code 3.250(1)(g) - Fees that allow the City, at a minimum, to recover regulatory and enforcement costs associated with solid waste and/or recycling collection.	Page 124

Fund Summary

Fund Matrix

Special Revenue Funds (Continued) - used to account for the proceeds of certain revenue sources that are legally restricted to expend for specific purposes					FY18 Proposed Budget Document Reference
Reporting Fund Name and Number (listed alphabetically)	Purpose	Primary Funding Sources	Primary Expenditures	Spending Restrictions	
Special Assessment Management Fund (110)	To account for activities related to support of the special assessment program and assessment deferral programs.	Assessment bond proceeds and fees paid by property owners.	Collection activities for principal and interest on contracts; collection activities for transient room taxes. (Deferral of assessments for low income property owners and low income senior property owners under City Code 7.195)	Council authorized programs for property owners to finance assessments and participate in deferral programs; funding is unrestricted but generally used for these purposes.	Page 125
Telecom Registration/Licensing Fund (135)	To account for revenues and expenditures associated with the 2% registration fee/business privilege tax for providers of telecommunications services in Eugene.	2% of registrants' gross revenues derived from their telecommunication activities within the city.	City telecom-related projects and activities that benefit the community.	Program administration and telecom projects that benefit the community. Funds will not be used to replace property tax revenue: City Code 3.415 and Ordinance 20083 Findings #13 and #15.	Page 126

Fund Summary

Fund Matrix

Debt Service Funds - used to account for the accumulation of resources and payment of long-term debt principal and interest					
Reporting Fund Name and Number (listed alphabetically)	Purpose	Primary Funding Sources	Primary Expenditures	Spending Restrictions	FY18 Proposed Budget Document Reference
General Obligation Debt Service Fund (211)	To account for revenues and expenditures related to voter-approved General Obligation bonds issued by the City.	Property tax revenues.	Payments of principal and interest on outstanding General Obligation bonds approved by voters.	ORS 294.388 requires a separate fund to be set up for payment of General Obligation bonds. ORS 287A.140 states that the City may not divert funds while principal or interest on G.O. bonds remain unpaid.	Page 127
Special Assessment Bond Debt Fund (250)	To pay principal and interest on bonds issued to pay for property owner assessment financing contracts.	Assessment bond proceeds and fees paid by property owners.	Payments of principal and interest to bond holders.	Bond covenants restrict property owner payments to paying off principal and interest on assessment bonds issued by the City.	Page 128

Fund Summary

Fund Matrix

Capital Projects Funds - used to account for financial resources to be used for the acquisition or construction of major capital facilities					
Reporting Fund Name and Number (listed alphabetically)	Purpose	Funding Sources	Primary Expenditures	Spending Restrictions	FY18 Proposed Budget Document Reference
General Capital Projects Fund (310)	To account for financing, construction and preservation of capital facilities not financed by proprietary or other capital projects funds and affordable housing.	General Fund transfer, bond proceeds, grants and loan repayments.	Preservation and major repairs of General Fund buildings, public art, City Hall replacement and park and open space land acquisitions.	Funding provided by bond proceeds (including interest earnings) are restricted by the terms of the bond measure approved by voters. Grants are usually restricted to a specific project or type of project. General Fund transfers are unrestricted. Fund 314 is restricted by Council Policy to provide capital funding for affordable housing projects. The revenue generated from loan repayment is designated for future affordable housing projects.	Page 129
Special Assessments Capital Projects Fund (350)	To account for interim financing and related costs of construction for public improvements which primarily benefit the property owners against whose properties special assessments are levied.	Debt issuance and repayment.	Construction of public improvements.	State law restricts assessments to the specific improvement constructed.	Page 130
Systems Development Capital Projects Fund (330)	To account for Systems Development Charge (SDC) revenues and expenditures in four major infrastructure systems.	SDC fees paid when permits are issued.	Capacity-enhancing projects for the following systems: transportation, wastewater, stormwater and parks.	ORS 223.297 to 223.314 restricts expenditures to capacity-enhancing projects for the four systems.	Page 131
Transportation Capital Projects Fund (340)	To account for revenues from dedicated sources and related non-development transportation capital project expenditures.	State and federal transportation grants, a \$0.05 per gallon local motor vehicle fuel tax and the 2012 voter-approved Street Bond.	Pavement preservation program fixing streets and funding bicycle and pedestrian projects.	Funding provided by bond proceeds (including interest earnings) are restricted by the terms of the bond measure approved by voters. Grants are usually restricted to a specific project or type of project. Gas tax revenues are dedicated to the preservation and maintenance of the street system per Oregon State Constitution, Article 9, Section 3a; ORS 366 and 367 and City Code 3.489 (2).	Page 132

Fund Summary

Fund Matrix

Enterprise Funds - used to account for operations that are financed and operated in a similar manner as a private business; intended to be self-supporting					
Reporting Fund Name and Number (listed alphabetically)	Purpose	Primary Funding Sources	Primary Expenditures	Spending Restrictions	FY18 Proposed Budget Document Reference
Ambulance Transport Fund (592)	To account for the operations of ambulance transportation services and associated pre-hospital life support care.	User fees and subscription program membership fees.	Costs related to ambulance transport and associated pre-hospital life support care.	The proceeds of user fees are retained in the fund for operating the service.	Page 133
Municipal Airport Fund (510)	To account for the operation of the municipal airport.	Airline, parking and concession revenues, Airport Improvement Program grant monies and Passenger Facility Charges.	Airport operations and capital improvements.	Revenues are restricted for use in financing airport operations and eligible airport projects as determined by Federal Aviation Administration regulation.	Page 134
Parking Services Fund (520)	To account for operations of the City's municipal parking program.	Parking fees, fines, and commercial space rentals.	To maintain parking assets and operations as well as a transfer to the General Fund to pay for a portion of a dedicated downtown police unit.	Proceeds are retained in the fund for operating the municipal parking program.	Page 135
Stormwater Utility Fund (539)	To account for activities related to the stormwater system and providing wetland mitigation credits.	Stormwater user fees and mitigation credit sales.	For the operation, construction and maintenance of the stormwater system and the wetland resource protection and enhancement program.	As allowed under state statute, the proceeds of user fees are retained in the fund for planning, constructing and/or operating the system. Wetland mitigation credits are restricted to appropriate projects within the wetland bank service area.	Page 136
Wastewater Utility Fund (530)	To account for activities related to the wastewater collection and treatment system.	Wastewater user fees.	For the construction, operation and maintenance of the wastewater collection and treatment system.	Partial restriction for outstanding regional wastewater system debt payments. As allowed under state statute, the proceeds of user fees are retained in the fund for planning, constructing and/or operating the system. Per intergovernmental agreement, all regional revenues are required to be passed through to the Metropolitan Wastewater Management Commission.	Page 137

Fund Summary

Fund Matrix

Internal Service Funds - used to account for fiscal activities when goods or services are furnished internally to other departments on a cost reimbursement basis					
Reporting Fund Name and Number (listed alphabetically)	Purpose	Primary Funding Sources	Primary Expenditures	Spending Restrictions	FY18 Proposed Budget Document Reference
Facilities Services Fund (615)	To account for the different aspects of operation and maintenance of City-owned facilities.	Lease payments, facility maintenance rates, charges to capital funds and postage reimbursement.	Facility maintenance for Atrium Building; debt service on Atrium bonds, general facility maintenance for City buildings, and architectural and project management services performed by Facility Management Division personnel, postage expenditures.	Limited to the participating and benefiting funds that incurred the fees and charges for services, consistent with the cost-reimbursement goal of internal service funds. The Atrium Fund has an internal debt covenant to maintain a prudent debt reserve. There are no restrictions for the Facilities Maintenance and Facilities Professional Services subfunds.	Page 138
Fleet Services Fund (600)	To provide for a way to systematically set aside funding for the purchase of vehicles, equipment and radio infrastructure and maintenance.	Fleet and radio user charges.	Vehicle and radio purchases and equipment maintenance.	Limited to the participating and benefiting funds that incurred the fees and charges for services, consistent with the cost-reimbursement goal of internal service funds. For the General Fund there are no restrictions. For Non-General Funds, see restrictions for all funds, including: Municipal Airport Fund, Road Fund, Stormwater Utility Fund and Wastewater Utility Fund. The proceeds of department charges are retained in the fund to operate and maintain the system.	Page 139
Information Systems and Services Fund (610)	To account for the activity related to information systems and services for City departments, information systems for public safety and central business software applications.	User charges to other City funds for software support, hardware support, network services, telephones, printing, copying and postage and records management system charges to the City of Springfield.	Data processing and reproduction, equipment purchases and maintenance, postage, telephone and printing services, Public Safety and Justice software systems, and the purchase and implementation of central business software.	Limited to the participating and benefiting funds that incurred the fees and charges for services, consistent with the cost-reimbursement goal of internal service funds. Resources associated with the Records Management System (RMS) project may not be transferred out of this fund or otherwise used for other purposes under an intergovernmental agreement with the City of Springfield.	Page 140
Professional Services Fund (630)	To account for professional engineering services performed by Public Works personnel for other City funds and outside agencies.	User charges.	Engineering services.	Limited to the participating and benefiting funds that incurred the fees and charges for services, consistent with the cost-reimbursement goal of internal service funds.	Page 141
Risk and Benefits Fund (620)	To account for cost of the City's self-insurance programs including risk management, employee health and benefits, pension bond and other post-employee benefits.	Rates charged to all City funds and payment for insurance plans from active employees and retirees.	Property and liability insurance and claims, current and previous employee health and benefits, principal and interest on pension bonds, workers compensation and unemployment insurance.	Resources placed into the Employee Health and Benefits subfund may not be transferred out of this subfund or otherwise used for other purposes according to ORS 731.036(6). Expenditures from the Risk subfund are limited under EC 2.585. Pension bond reserves are prudent internal reserves to ensure payment of principal and interest on pension bonds. Reserves constitute funds from both the General Fund and non-General Funds. See restrictions on non-General Funds.	Page 142

How to Read a Fund Schedule

Any Fund

Revenues are current monies received or anticipated by the City from either tax or non-tax sources.

	FY15 Actual	FY16 Actual	FY17 Adopted Budget	FY17 Budget 12/31/2016	FY17 Projections	FY18 Proposed Budget
Revenues						
Intergovernmental	0	4,793	0	0	0	0
Rental	616,478	563,314	615,100	615,100	527,802	510,205
Charges for Services	8,189,797	8,253,323	8,502,034	8,502,034	8,466,832	9,442,898
Miscellaneous	67,546	144,341	6,000	6,000	21,470	6,000
Interfund Transfers	1,000,000	1,500,000	0	0	0	0
Principal on Notes / Loans	300,000	0	0	0	0	0
Total Revenues	10,173,821	10,465,771	9,123,134	9,123,134	9,016,104	9,959,103

Expenditures include current departmental expenditures (personnel services, materials and services, capital outlay), capital projects, and non-departmental expenses.

Expenditures						
Central Services	8,066,122	8,479,222	8,646,238	8,642,834	8,404,652	9,283,708
Planning and Development	240,010	239,824	285,781	285,781	285,781	343,206
Debt Service	202,160	204,255	206,000	206,000	206,000	211,700
Capital	289,696	51,620	525,610	524,448	524,448	515,476
Interfund Transfers	1,077,000	10,187,000	432,000	524,598	524,598	433,000
Total Expenditures	9,874,988	19,161,921	10,095,629	10,183,661	9,945,479	10,787,090

Excess (deficiency) of revenues over expenditures is a calculation of Total Revenues minus Total Expenditures.

The resulting excess or deficiency is added to **Beginning Working Capital** (resources carried over from previous years) to determine the fund's **Ending Working Capital**.

Excess (deficiency) of revenues over expenditures	298,833	(8,696,150)	(972,495)	(1,060,527)	(929,375)	(827,987)
Beginning Working Capital (Fund Balance), July 1	12,192,457	12,491,290	13,445,395	3,795,140	3,795,140	3,465,624
Ending Working Capital (Fund Balance), June 30	12,491,290	3,795,140	12,472,900	2,734,613	2,865,765	2,637,637

Total Resources is the sum of Total Revenues and Beginning Working Capital (resources carried over from previous years).

Total Requirements is the sum of Total Expenditures and Ending Working Capital.

Under Oregon Budget Law, Total Resources must equal Total Requirements.

Reconciliation of Total Resources and Requirements						
Resources						
Beginning Working Capital (Fund Balance)	12,192,457	12,491,290	13,445,395	3,795,140	3,795,140	3,465,624
Total Revenues	10,173,821	10,465,771	9,123,134	9,123,134	9,016,104	9,959,103
Total Resources	22,366,278	22,957,061	22,568,529	12,918,274	12,811,244	13,424,727
Requirements						
Total Expenditures	9,874,988	19,161,921	10,095,629	10,183,661	9,945,479	10,787,090
Ending Working Capital (Fund Balance)	12,491,290	3,795,140	12,472,900	2,734,613	2,865,765	2,637,637
Total Requirements	22,366,278	22,957,061	22,568,529	12,918,274	12,811,244	13,424,727

Balance Available and **Reserve** accounts are considered to be non-departmental. They are a measure of the fiscal health of a fund.

Reserves (Budgeted amounts only)						
Balance Available	2,856,622	2,631,935	2,104,293	2,192,613	2,192,613	2,095,637
Reserve	8,484,923	542,000	10,368,607	542,000	542,000	542,000
Total Reserves	11,341,545	3,173,935	12,472,900	2,734,613	2,734,613	2,637,637

What to look for on a fund schedule, and other relevant information:

- An important item to look for on a fund schedule is the trend in revenue and expenditure changes which directly impact the fund's surplus/ deficit and available working capital.
- The difference between FY17 Adopted Budget and FY17 Budget 12/ 31/ 2016 is that the latter includes Supplemental Budget (SB) #1. SBs are used to keep the budget reflective of the current service environment and to ensure that appropriations are as current as possible. SB #1 occurs in December following completion of the previous fiscal year's audit; this explains why FY16 Actual Ending Working Capital exactly matches FY17 Budget 12/ 31/ 2016 Beginning Working Capital.
- During the current fiscal year, the fund manager will evaluate the fund status and project the ending balance in order to estimate the starting point for the next fiscal year; this is shown in the fund schedule under FY17 Projections.
- The difference between revenues and resources is that revenues represent monies received in the current fiscal year while resources also include funds carried over from previous fiscal years. Similarly, expenditures cover the current fiscal year while requirements also include reserves to be carried forward to future fiscal years.
- In order to maintain a prudent level of reserves, the City has established a general practice that the target amount of balance available budgeted shall be at least two months of operating expenses. There are a variety of reasons for fluctuations in fund reserves over time such as saving up for large expenses or planning for future uncertainty.

General Fund (010) Reporting Fund

	FY15 Actual	FY16 Actual	FY17 Adopted Budget	FY17 Budget 12/31/2016	FY17 Projections	FY18 Proposed Budget
Revenues						
Taxes	102,866,020	107,289,570	111,853,000	111,853,000	111,045,191	114,667,000
Licenses/Permits	6,091,361	24,092,719	6,169,200	6,169,200	7,161,900	7,219,144
Intergovernmental	4,945,368	4,744,171	4,516,849	5,670,930	5,138,245	5,136,876
Rental	114,574	145,728	126,040	126,040	138,330	140,830
Charges for Services	12,443,858	13,739,960	13,919,806	16,064,529	15,590,001	16,699,441
Fines/Forfeitures	2,386,546	2,426,712	2,211,250	2,211,250	2,241,500	2,135,000
Miscellaneous	588,688	759,605	847,000	847,000	730,098	701,500
Interfund Transfers	9,654,131	9,519,145	9,803,423	9,803,423	9,803,423	10,225,107
Total Revenues	139,090,546	162,717,610	149,446,568	152,745,372	151,848,688	156,924,898
Expenditures						
Central Services	22,228,468	22,995,115	23,837,327	25,676,587	25,558,150	25,173,689
Fire and Emerg. Med. Svcs.	25,963,611	28,222,239	28,595,704	29,093,406	28,950,767	30,238,972
Library, Rec. and Cultural Svcs.	25,823,638	26,874,805	28,980,020	30,852,720	30,504,570	30,731,736
Planning and Development	5,555,437	5,860,617	6,344,533	8,303,127	8,271,404	7,049,245
Police	47,991,488	50,050,092	51,252,004	52,710,240	52,454,293	53,279,325
Public Works	5,477,758	5,993,453	5,975,207	6,151,407	6,121,531	6,463,030
Interfund Transfers	7,643,328	5,279,300	4,530,280	5,580,280	5,580,280	4,671,055
Special Payments	560,099	430,071	700,000	700,000	600,000	700,000
Total Expenditures	141,243,827	145,705,692	150,215,075	159,067,767	158,040,995	158,307,052
Excess (deficiency) of revenues over expenditures	(2,153,281)	17,011,918	(768,507)	(6,322,395)	(6,192,307)	(1,382,154)
Beginning Working Capital (Fund Balance), July 1	42,332,747	40,179,466	36,923,530	57,191,384	57,191,384	50,999,077
Ending Working Capital (Fund Balance), June 30	40,179,466	57,191,384	36,155,023	50,868,989	50,999,077	49,616,923
Reconciliation of Total Resources and Requirements						
Resources						
Beginning Working Capital (Fund Balance)	42,332,747	40,179,466	36,923,530	57,191,384	57,191,384	50,999,077
Total Revenues	139,090,546	162,717,610	149,446,568	152,745,372	151,848,688	156,924,898
Total Resources	181,423,293	202,897,076	186,370,098	209,936,756	209,040,072	207,923,975
Requirements						
Total Expenditures	141,243,827	145,705,692	150,215,075	159,067,767	158,040,995	158,307,052
Ending Working Capital (Fund Balance)	40,179,466	57,191,384	36,155,023	50,868,989	50,999,077	49,616,923
Total Requirements	181,423,293	202,897,076	186,370,098	209,936,756	209,040,072	207,923,975
Reserves (Budgeted amounts only)						
Contingency	0	0	32,000	10,851	10,851	32,000
Reserve *	8,526,301	11,941,473	12,193,023	26,928,138	26,928,138	24,534,923
UEFB**	21,710,000	23,040,000	23,930,000	23,930,000	23,930,000	25,050,000
Total Reserves	30,236,301	34,981,473	36,155,023	50,868,989	50,868,989	49,616,923

* FY18 Proposed Budget Reserve for Revenue Shortfall (RRSF) includes one-time funds from the Comcast legal settlement. The City

Manager is recommending \$7.0 million of the RRSF as a potential resource for Budget Committee consideration.

** Unappropriated Ending Fund Balance

General Fund (011) Main Subfund

	FY15 Actual	FY16 Actual	FY17 Adopted Budget	FY17 Budget 12/31/2016	FY17 Projections	FY18 Proposed Budget
Revenues						
Taxes	100,703,269	104,826,364	109,453,000	109,453,000	108,545,191	112,167,000
Licenses/Permits	6,091,361	24,092,719	6,169,200	6,169,200	7,161,900	7,219,144
Intergovernmental	4,945,368	4,744,171	4,516,849	5,670,930	5,138,245	5,136,876
Rental	114,575	145,728	126,040	126,040	138,330	140,830
Charges for Services	9,993,134	10,394,183	10,160,406	11,487,129	11,403,404	11,895,541
Fines/Forfeitures	2,386,546	2,426,712	2,211,250	2,211,250	2,241,500	2,135,000
Miscellaneous	546,408	698,149	822,000	822,000	690,703	663,500
Interfund Transfers	9,179,131	9,119,145	9,403,423	9,403,423	9,403,423	9,825,107
Total Revenues	133,959,792	156,447,171	142,862,168	145,342,972	144,722,696	149,182,998
Expenditures						
Central Services	22,078,468	22,845,115	23,687,327	25,526,587	25,408,150	25,023,689
Fire and Emerg. Med. Svcs.	25,901,599	27,567,966	28,527,879	28,944,404	28,801,765	30,202,252
Library, Rec. and Cultural Svcs.	20,748,707	21,359,708	22,630,083	23,126,156	23,013,006	22,953,711
Planning and Development	5,555,437	5,860,617	6,344,533	8,303,127	8,271,404	7,049,245
Police	47,938,271	50,002,149	51,189,423	52,647,659	52,391,712	53,221,825
Public Works	5,477,758	5,993,453	5,975,207	6,151,407	6,121,531	6,463,030
Interfund Transfers	7,643,328	5,279,300	4,530,280	5,580,280	5,580,280	4,671,055
Special Payments	560,099	430,071	700,000	700,000	600,000	700,000
Total Expenditures	135,903,667	139,338,379	143,584,732	150,979,620	150,187,848	150,284,807
Excess (deficiency) of revenues over expenditures	(1,943,875)	17,108,792	(722,564)	(5,636,648)	(5,465,152)	(1,101,809)
Beginning Working Capital (Fund Balance), July 1	38,503,285	36,559,410	34,484,758	53,668,202	53,668,202	48,203,050
Ending Working Capital (Fund Balance), June 30	36,559,410	53,668,202	33,762,194	48,031,554	48,203,050	47,101,241

Reconciliation of Total Resources and Requirements

Resources						
Beginning Working Capital (Fund Balance)	38,503,285	36,559,410	34,484,758	53,668,202	53,668,202	48,203,050
Total Revenues	133,959,792	156,447,171	142,862,168	145,342,972	144,722,696	149,182,998
Total Resources	172,463,077	193,006,581	177,346,926	199,011,174	198,390,898	197,386,048
Requirements						
Total Expenditures	135,903,667	139,338,379	143,584,732	150,979,620	150,187,848	150,284,807
Ending Working Capital (Fund Balance)	36,559,410	53,668,202	33,762,194	48,031,554	48,203,050	47,101,241
Total Requirements	172,463,077	193,006,581	177,346,926	199,011,174	198,390,898	197,386,048

Reserves (Budgeted amounts only)

Contingency	0	0	32,000	10,851	10,851	32,000
Reserve *	6,539,141	9,246,371	9,800,194	24,090,703	24,090,703	22,019,241
UEFB**	21,710,000	23,040,000	23,930,000	23,930,000	23,930,000	25,050,000
Total Reserves	28,249,141	32,286,371	33,762,194	48,031,554	48,031,554	47,101,241

* FY18 Proposed Budget Reserve for Revenue Shortfall (RRSF) includes one-time funds from the Comcast legal settlement. The City Manager is recommending \$7.0 million of the RRSF as a potential resource for Budget Committee consideration.

** Unappropriated Ending Fund Balance

Community Development Fund (170)

Special Revenue Funds

	FY15 Actual	FY16 Actual	FY17 Adopted Budget	FY17 Budget 12/31/2016	FY17 Projections	FY18 Proposed Budget
Revenues						
Intergovernmental	2,178,168	2,020,080	5,781,910	7,774,663	2,958,231	5,212,329
Charges for Services	13,979	6,088	5,000	5,000	7,264	5,000
Miscellaneous	332,087	549,692	1,073,349	1,073,349	1,213,373	715,144
Principal on Notes/Loans	3,594,095	2,053,458	2,624,160	2,624,160	2,057,747	3,016,700
Interfund Loans	0	65,000	0	0	0	0
Total Revenues	6,118,329	4,694,318	9,484,419	11,477,172	6,236,615	8,949,173
Expenditures						
Planning and Development	1,501,864	1,842,138	3,776,835	3,276,707	2,059,360	3,744,932
Capital	55,483	143,259	1,336,143	1,290,457	200,000	73,200
Debt Service	1,594,224	327,642	365,379	365,379	365,379	364,649
Interfund Transfers	140,000	123,000	105,000	105,000	105,000	93,000
Special Payments	2,777,343	2,681,703	9,098,915	8,219,046	3,533,312	6,687,534
Total Expenditures	6,068,914	5,117,742	14,682,272	13,256,589	6,263,051	10,963,315
Excess (deficiency) of revenues over expenditures	49,415	(423,424)	(5,197,853)	(1,779,417)	(26,436)	(2,014,142)
Beginning Working Capital (Fund Balance), July 1	3,601,245	3,650,660	6,182,077	3,227,236	3,227,236	3,200,800
Ending Working Capital (Fund Balance), June 30	3,650,660	3,227,236	984,224	1,447,819	3,200,800	1,186,658
Reconciliation of Total Resources and Requirements						
Resources						
Beginning Working Capital (Fund Balance)	3,601,245	3,650,660	6,182,077	3,227,236	3,227,236	3,200,800
Total Revenues	6,118,329	4,694,318	9,484,419	11,477,172	6,236,615	8,949,173
Total Resources	9,719,574	8,344,978	15,666,496	14,704,408	9,463,851	12,149,973
Requirements						
Total Expenditures	6,068,914	5,117,742	14,682,272	13,256,589	6,263,051	10,963,315
Ending Working Capital (Fund Balance)	3,650,660	3,227,236	984,224	1,447,819	3,200,800	1,186,658
Total Requirements	9,719,574	8,344,978	15,666,496	14,704,408	9,463,851	12,149,973
Reserves (Budgeted amounts only)						
Reserve	992,056	1,064,224	984,224	1,121,997	1,121,997	1,186,658
Balance Available	413,752	505,939	0	325,822	325,822	0
Total Reserves	1,405,808	1,570,163	984,224	1,447,819	1,447,819	1,186,658

Construction and Rental Housing Fund (150) Special Revenue Funds

	FY15 Actual	FY16 Actual	FY17 Adopted Budget	FY17 Budget 12/31/2016	FY17 Projections	FY18 Proposed Budget
Revenues						
Licenses/Permits	3,919,494	3,889,830	3,725,600	3,725,600	3,878,500	4,142,468
Intergovernmental	500	0	0	0	0	0
Charges for Services	4,016,168	3,996,773	4,525,500	4,525,500	3,853,472	4,573,185
Fines/Forfeitures	39,989	13,734	0	0	11,800	25,000
Interfund Loan Repayment	0	0	65,000	65,000	65,000	0
Miscellaneous	45,530	42,905	341,040	341,040	64,552	347,000
Total Revenues	8,021,681	7,943,242	8,657,140	8,657,140	7,873,324	9,087,653
Expenditures						
Fire and Emerg. Med. Svcs.	274,796	289,947	306,904	306,904	306,904	333,961
Planning and Development	5,114,208	5,589,032	6,721,777	6,781,324	6,298,828	7,385,362
Public Works	405,328	411,801	449,877	449,877	449,877	465,363
Interfund Transfers	744,000	820,000	884,000	884,000	884,000	919,000
Special Payments	585,470	642,290	800,000	800,000	610,000	880,000
Total Expenditures	7,123,802	7,753,070	9,162,558	9,222,105	8,549,609	9,983,686
Excess (deficiency) of revenues over expenditures	897,879	190,172	(505,418)	(564,965)	(676,285)	(896,033)
Beginning Working Capital (Fund Balance), July 1	4,799,835	5,697,714	5,345,271	5,887,886	5,887,886	5,211,601
Ending Working Capital (Fund Balance), June 30	5,697,714	5,887,886	4,839,853	5,322,921	5,211,601	4,315,568

Reconciliation of Total Resources and Requirements

	Resources	Requirements
Beginning Working Capital (Fund Balance)	4,799,835	5,697,714
Total Revenues	8,021,681	8,657,140
Total Resources	12,821,516	13,640,956
	Requirements	Resources
Total Expenditures	7,123,802	4,799,835
Ending Working Capital (Fund Balance)	5,697,714	5,697,714
Total Requirements	12,821,516	13,640,956

Reserves (Budgeted amounts only)

Balance Available	4,689,372	5,020,101	4,839,853	5,322,921	5,322,921	4,315,568
Total Reserves	4,689,372	5,020,101	4,839,853	5,322,921	5,322,921	4,315,568

Library Local Option Levy Fund (111)

Special Revenue Funds

	FY15 Actual	FY16 Actual	FY17 Adopted Budget	FY17 Budget 12/31/2016	FY17 Projections	FY18 Proposed Budget
Revenues						
Taxes	0	0	2,552,000	2,552,000	2,552,000	2,622,000
Miscellaneous	0	0	0	0	0	2,268
Total Revenues	0	0	2,552,000	2,552,000	2,552,000	2,624,268
Expenditures						
Library, Rec. and Cultural Svcs.	0	0	2,384,000	2,384,000	2,384,000	2,415,896
Total Expenditures	0	0	2,384,000	2,384,000	2,384,000	2,415,896
Excess (deficiency) of revenues over expenditures	0	0	168,000	168,000	168,000	208,372
Beginning Working Capital (Fund Balance), July 1	0	0	0	0	0	168,000
Ending Working Capital (Fund Balance), June 30	0	0	168,000	168,000	168,000	376,372

Reconciliation of Total Resources and Requirements

Resources						
Beginning Working Capital (Fund Balance)	0	0	0	0	0	168,000
Total Revenues	0	0	2,552,000	2,552,000	2,552,000	2,624,268
Total Resources	0	0	2,552,000	2,552,000	2,552,000	2,792,268
Requirements						
Total Expenditures	0	0	2,384,000	2,384,000	2,384,000	2,415,896
Ending Working Capital (Fund Balance)	0	0	168,000	168,000	168,000	376,372
Total Requirements	0	0	2,552,000	2,552,000	2,552,000	2,792,268
Reserves (Budgeted amounts only)						
Reserve	0	0	168,000	168,000	168,000	376,372
Total Reserves	0	0	168,000	168,000	168,000	376,372

Note: New fund beginning in FY17.

Library, Parks and Recreation Fund (180)

Special Revenue Funds

	FY15 Actual	FY16 Actual	FY17 Adopted Budget	FY17 Budget 12/31/2016	FY17 Projections	FY18 Proposed Budget
Revenues						
Intergovernmental	63,790	32,268	0	251,251	251,338	0
Rental	16,920	37,658	17,920	17,920	17,455	17,920
Charges for Services	64,977	35,591	43,000	43,000	47,050	43,000
Miscellaneous	285,053	950,134	416,666	416,666	429,908	437,301
Principal on Notes/Loans	0	0	0	0	60,000	0
Total Revenues	430,740	1,055,651	477,586	728,837	805,751	498,221
Expenditures						
Library, Rec. and Cultural Svcs.	230,846	349,164	370,061	595,000	595,000	370,000
Capital	228,696	109,137	1,030,953	1,027,206	1,027,206	57,222
Special Payments	0	16,000	102,006	86,295	60,000	86,872
Total Expenditures	459,542	474,301	1,503,020	1,708,501	1,682,206	514,094
Excess (deficiency) of revenues over expenditures	(28,802)	581,350	(1,025,434)	(979,664)	(876,455)	(15,873)
Beginning Working Capital (Fund Balance), July 1	4,144,139	4,115,337	4,125,094	4,696,687	4,696,687	3,820,232
Ending Working Capital (Fund Balance), June 30	4,115,337	4,696,687	3,099,660	3,717,023	3,820,232	3,804,359
Reconciliation of Total Resources and Requirements						
Resources						
Beginning Working Capital (Fund Balance)	4,144,139	4,115,337	4,125,094	4,696,687	4,696,687	3,820,232
Total Revenues	430,740	1,055,651	477,586	728,837	805,751	498,221
Total Resources	4,574,879	5,170,988	4,602,680	5,425,524	5,502,438	4,318,453
Requirements						
Total Expenditures	459,542	474,301	1,503,020	1,708,501	1,682,206	514,094
Ending Working Capital (Fund Balance)	4,115,337	4,696,687	3,099,660	3,717,023	3,820,232	3,804,359
Total Requirements	4,574,879	5,170,988	4,602,680	5,425,524	5,502,438	4,318,453
Reserves (Budgeted amounts only)						
Reserve	2,233,809	2,390,316	2,459,461	2,753,750	2,753,750	2,761,895
Balance Available	353,183	534,106	640,199	963,273	963,273	1,042,464
Total Reserves	2,586,992	2,924,422	3,099,660	3,717,023	3,717,023	3,804,359

Public Safety Communications Fund (130)

Special Revenue Funds

	FY15 Actual	FY16 Actual	FY17 Adopted Budget	FY17 Budget 12/31/2016	FY17 Projections	FY18 Proposed Budget
Revenues						
Intergovernmental	746,001	892,164	750,000	750,000	0	0
Charges for Services	1,842,584	1,741,086	1,743,082	2,077,999	2,451,340	1,707,595
Miscellaneous	10,656	7,413	10,750	10,750	14,200	14,000
Interfund Transfers	121,068	0	0	0	0	5,000
Total Revenues	2,720,309	2,640,663	2,503,832	2,838,749	2,465,540	1,726,595
Expenditures						
Police	2,720,251	2,430,889	2,468,749	2,918,749	1,890,044	2,158,200
Interfund Transfers	186,000	197,000	160,000	160,000	160,000	131,000
Special Payments	201,443	0	0	0	0	0
Total Expenditures	3,107,694	2,627,889	2,628,749	3,078,749	2,050,044	2,289,200
Excess (deficiency) of revenues over expenditures	(387,385)	12,774	(124,917)	(240,000)	415,496	(562,605)
Beginning Working Capital (Fund Balance), July 1	2,108,958	1,721,573	1,865,272	1,734,347	1,734,347	2,149,843
Ending Working Capital (Fund Balance), June 30	1,721,573	1,734,347	1,740,355	1,494,347	2,149,843	1,587,238

Reconciliation of Total Resources and Requirements

Resources						
Beginning Working Capital (Fund Balance)	2,108,958	1,721,573	1,865,272	1,734,347	1,734,347	2,149,843
Total Revenues	2,720,309	2,640,663	2,503,832	2,838,749	2,465,540	1,726,595
Total Resources	4,829,267	4,362,236	4,369,104	4,573,096	4,199,887	3,876,438
Requirements						
Total Expenditures	3,107,694	2,627,889	2,628,749	3,078,749	2,050,044	2,289,200
Ending Working Capital (Fund Balance)	1,721,573	1,734,347	1,740,355	1,494,347	2,149,843	1,587,238
Total Requirements	4,829,267	4,362,236	4,369,104	4,573,096	4,199,887	3,876,438

Reserves (Budgeted amounts only)

Reserve	900,357	903,409	908,520	908,520	0
Balance Available	445,716	808,126	831,835	585,827	585,827
Total Reserves	1,346,073	1,711,535	1,740,355	1,494,347	1,587,238

Road Fund (131)

Special Revenue Funds

	FY15 Actual	FY16 Actual	FY17 Adopted Budget	FY17 Budget 12/31/2016	FY17 Projections	FY18 Proposed Budget
Revenues						
Licenses/Permits	1,782,825	1,888,571	1,928,500	1,928,500	1,970,000	2,019,000
Intergovernmental	9,364,592	10,014,318	10,343,114	11,064,712	11,121,102	9,906,446
Rental	126,953	75,441	57,500	57,500	158,178	108,604
Charges for Services	123,384	184,795	113,700	113,700	261,900	214,500
Fines/Forfeitures	2,800	0	0	0	0	0
Miscellaneous	219,389	172,854	146,600	146,600	222,427	119,000
Total Revenues	11,619,943	12,335,979	12,589,414	13,311,012	13,733,607	12,367,550

Expenditures						
Public Works	10,317,522	12,461,833	12,312,222	12,781,607	12,781,607	12,114,176
Interfund Transfers	1,032,752	863,000	965,000	965,000	965,000	1,024,000
Total Expenditures	11,350,274	13,324,833	13,277,222	13,746,607	13,746,607	13,138,176
Excess (deficiency) of revenues over expenditures	269,669	(988,854)	(687,808)	(435,595)	(13,000)	(770,626)
Beginning Working Capital (Fund Balance), July 1	4,067,147	4,336,816	2,784,223	3,347,962	3,347,962	3,334,962
Ending Working Capital (Fund Balance), June 30	4,336,816	3,347,962	2,096,415	2,912,367	3,334,962	2,564,336

Reconciliation of Total Resources and Requirements

Resources						
Beginning Working Capital (Fund Balance)	4,067,147	4,336,816	2,784,223	3,347,962	3,347,962	3,334,962
Total Revenues	11,619,943	12,335,979	12,589,414	13,311,012	13,733,607	12,367,550
Total Resources	15,687,090	16,672,795	15,373,637	16,658,974	17,081,569	15,702,512
Requirements						
Total Expenditures	11,350,274	13,324,833	13,277,222	13,746,607	13,746,607	13,138,176
Ending Working Capital (Fund Balance)	4,336,816	3,347,962	2,096,415	2,912,367	3,334,962	2,564,336
Total Requirements	15,687,090	16,672,795	15,373,637	16,658,974	17,081,569	15,702,512

Reserves (Budgeted amounts only)

Balance Available	3,311,674	1,376,754	2,096,415	2,912,367	2,912,367	2,564,336
Total Reserves	3,311,674	1,376,754	2,096,415	2,912,367	2,912,367	2,564,336

Solid Waste and Recycling Fund (155)

Special Revenue Funds

	FY15 Actual	FY16 Actual	FY17 Adopted Budget	FY17 Budget 12/31/2016	FY17 Projections	FY18 Proposed Budget
Revenues						
Licenses/Permits	839,053	878,312	883,900	883,900	955,523	969,896
Intergovernmental	6,500	0	0	0	17,000	35,000
Charges for Services	8	646	0	0	300	0
Miscellaneous	8,332	6,848	6,000	6,000	14,238	6,500
Total Revenues	853,893	885,806	889,900	889,900	987,061	1,011,396
Expenditures						
Planning and Development	664,028	706,915	969,067	1,004,250	954,359	1,002,243
Interfund Transfers	104,000	74,000	52,000	52,000	52,000	73,000
Total Expenditures	768,028	780,915	1,021,067	1,056,250	1,006,359	1,075,243
Excess (deficiency) of revenues over expenditures	85,865	104,891	(131,167)	(166,350)	(19,298)	(63,847)
Beginning Working Capital (Fund Balance), July 1	515,030	600,895	722,978	705,786	705,786	686,488
Ending Working Capital (Fund Balance), June 30	600,895	705,786	591,811	539,436	686,488	622,641

Reconciliation of Total Resources and Requirements

Resources						
Beginning Working Capital (Fund Balance)	515,030	600,895	722,978	705,786	705,786	686,488
Total Revenues	853,893	885,806	889,900	889,900	987,061	1,011,396
Total Resources	1,368,923	1,486,701	1,612,878	1,595,686	1,692,847	1,697,884
Requirements						
Total Expenditures	768,028	780,915	1,021,067	1,056,250	1,006,359	1,075,243
Ending Working Capital (Fund Balance)	600,895	705,786	591,811	539,436	686,488	622,641
Total Requirements	1,368,923	1,486,701	1,612,878	1,595,686	1,692,847	1,697,884

Reserves (Budgeted amounts only)

Balance Available	414,530	583,688	591,811	539,436	539,436	622,641
Total Reserves	414,530	583,688	591,811	539,436	539,436	622,641

Special Assessment Management Fund (110) Special Revenue Funds

	FY15 Actual	FY16 Actual	FY17 Adopted Budget	FY17 Budget 12/31/2016	FY17 Projections	FY18 Proposed Budget
Revenues						
Charges for Services	53,013	43,682	45,220	45,220	45,080	44,400
Miscellaneous	22,613	16,569	15,700	15,700	17,050	17,590
Interfund Transfers	0	0	30,000	30,000	30,000	30,000
Principal on Assesments	17,103	4,333	3,000	3,000	100	1,000
Prin. on Assmts. - Finance Fee	4,218	4,804	1,100	1,100	1,700	700
Total Revenues	96,947	69,388	95,020	95,020	93,930	93,690
Expenditures						
Central Services	81,594	87,168	97,870	97,870	97,870	102,155
Interfund Transfers	9,000	7,000	8,000	8,000	8,000	9,000
Special Payments	0	0	30,000	30,000	30,000	30,000
Total Expenditures	90,594	94,168	135,870	135,870	135,870	141,155
Excess (deficiency) of revenues over expenditures	6,353	(24,780)	(40,850)	(40,850)	(41,940)	(47,465)
Beginning Working Capital (Fund Balance), July 1	1,243,009	1,249,362	1,221,355	1,224,582	1,224,582	1,182,642
Ending Working Capital (Fund Balance), June 30	1,249,362	1,224,582	1,180,505	1,183,732	1,182,642	1,135,177

Reconciliation of Total Resources and Requirements

Resources						
Beginning Working Capital (Fund Balance)	1,243,009	1,249,362	1,221,355	1,224,582	1,224,582	1,182,642
Total Revenues	96,947	69,388	95,020	95,020	93,930	93,690
Total Resources	1,339,956	1,318,750	1,316,375	1,319,602	1,318,512	1,276,332
Requirements						
Total Expenditures	90,594	94,168	135,870	135,870	135,870	141,155
Ending Working Capital (Fund Balance)	1,249,362	1,224,582	1,180,505	1,183,732	1,182,642	1,135,177
Total Requirements	1,339,956	1,318,750	1,316,375	1,319,602	1,318,512	1,276,332

Reserves (Budgeted amounts only)

Reserve	50,000	50,000	50,000	50,000	50,000	50,000
Balance Available	1,154,122	1,161,555	1,130,505	1,133,732	1,133,732	1,085,177
Total Reserves	1,204,122	1,211,555	1,180,505	1,183,732	1,183,732	1,135,177

Telecom Registration/ Licensing Fund (135)

Special Revenue Funds

	FY15 Actual	FY16 Actual	FY17 Adopted Budget	FY17 Budget 12/31/2016	FY17 Projections	FY18 Proposed Budget
Revenues						
Licenses/Permits	2,818,523	2,590,693	2,900,000	2,900,000	2,700,000	2,700,000
Miscellaneous	30,910	32,783	32,000	32,000	54,000	40,000
Total Revenues	2,849,433	2,623,476	2,932,000	2,932,000	2,754,000	2,740,000
Expenditures						
Central Services	2,781,949	1,797,756	2,734,342	5,008,065	5,008,065	2,747,204
Interfund Transfers	490,000	1,493,000	479,000	479,000	479,000	487,000
Total Expenditures	3,271,949	3,290,756	3,213,342	5,487,065	5,487,065	3,234,204
Excess (deficiency) of revenues over expenditures	(422,516)	(667,280)	(281,342)	(2,555,065)	(2,733,065)	(494,204)
Beginning Working Capital (Fund Balance), July 1	6,496,868	6,074,352	3,747,278	5,407,072	5,407,072	2,674,007
Ending Working Capital (Fund Balance), June 30	6,074,352	5,407,072	3,465,936	2,852,007	2,674,007	2,179,803

Reconciliation of Total Resources and Requirements

Resources						
Beginning Working Capital (Fund Balance)	6,496,868	6,074,352	3,747,278	5,407,072	5,407,072	2,674,007
Total Revenues	2,849,433	2,623,476	2,932,000	2,932,000	2,754,000	2,740,000
Total Resources	9,346,301	8,697,828	6,679,278	8,339,072	8,161,072	5,414,007
Requirements						
Total Expenditures	3,271,949	3,290,756	3,213,342	5,487,065	5,487,065	3,234,204
Ending Working Capital (Fund Balance)	6,074,352	5,407,072	3,465,936	2,852,007	2,674,007	2,179,803
Total Requirements	9,346,301	8,697,828	6,679,278	8,339,072	8,161,072	5,414,007

Reserves (Budgeted amounts only)

Reserve	340,907	340,907	302,847	302,847	302,847	592,847
Balance Available	3,683,356	3,093,687	3,163,089	2,549,160	2,549,160	1,586,956
Total Reserves	4,024,263	3,434,594	3,465,936	2,852,007	2,852,007	2,179,803

General Obligation Debt Service Fund (211)

Debt Service Funds

	FY15 Actual	FY16 Actual	FY17 Adopted Budget	FY17 Budget 12/31/2016	FY17 Projections	FY18 Proposed Budget
Revenues						
Taxes	13,972,976	14,507,420	13,117,486	13,117,486	13,487,000	13,045,331
Miscellaneous	26,607	30,688	18,000	18,000	25,180	25,000
Gen. Obligation Bonds Issued	0	8,929,919	0	0	0	0
Total Revenues	13,999,583	23,468,027	13,135,486	13,135,486	13,512,180	13,070,331
Expenditures						
Debt Service	13,720,968	23,532,715	13,333,507	13,425,650	13,425,650	13,447,025
Total Expenditures	13,720,968	23,532,715	13,333,507	13,425,650	13,425,650	13,447,025
Excess (deficiency) of revenues over expenditures	278,615	(64,688)	(198,021)	(290,164)	86,530	(376,694)
Beginning Working Capital (Fund Balance), July 1	76,237	354,852	198,021	290,164	290,164	376,694
Ending Working Capital (Fund Balance), June 30	354,852	290,164	0	0	376,694	0

Reconciliation of Total Resources and Requirements

Resources						
Beginning Working Capital (Fund Balance)	76,237	354,852	198,021	290,164	290,164	376,694
Total Revenues	13,999,583	23,468,027	13,135,486	13,135,486	13,512,180	13,070,331
Total Resources	14,075,820	23,822,879	13,333,507	13,425,650	13,802,344	13,447,025
Requirements						
Total Expenditures	13,720,968	23,532,715	13,333,507	13,425,650	13,425,650	13,447,025
Ending Working Capital (Fund Balance)	354,852	290,164	0	0	376,694	0
Total Requirements	14,075,820	23,822,879	13,333,507	13,425,650	13,802,344	13,447,025

Reserves (Budgeted amounts only)

Reserve	0	0	0	0	0	0
Total Reserves	0	0	0	0	0	0

Special Assessment Bond Debt Fund (250)

Debt Service Funds

	FY15 Actual	FY16 Actual	FY17 Adopted Budget	FY17 Budget 12/31/2016	FY17 Projections	FY18 Proposed Budget
Revenues						
Miscellaneous	25,632	16,071	40,400	40,400	13,100	31,100
Principal on Assessments	80,739	79,465	260,200	260,200	27,000	220,250
Prin. on Assmts. - Finance Fee	(1,770)	(8,196)	0	0	397	0
Total Revenues	104,601	87,340	300,600	300,600	40,497	251,350
Expenditures						
Debt Service	112,870	96,076	300,000	300,000	32,600	250,000
Interfund Transfers	0	353,535	10,000	10,000	10,000	10,000
Total Expenditures	112,870	449,611	310,000	310,000	42,600	260,000
Excess (deficiency) of revenues over expenditures	(8,269)	(362,271)	(9,400)	(9,400)	(2,103)	(8,650)
Beginning Working Capital (Fund Balance), July 1	443,831	435,562	67,921	73,291	73,291	71,188
Ending Working Capital (Fund Balance), June 30	435,562	73,291	58,521	63,891	71,188	62,538

Reconciliation of Total Resources and Requirements

Resources						
Beginning Working Capital (Fund Balance)	443,831	435,562	67,921	73,291	73,291	71,188
Total Revenues	104,601	87,340	300,600	300,600	40,497	251,350
Total Resources	548,432	522,902	368,521	373,891	113,788	322,538
Requirements						
Total Expenditures	112,870	449,611	310,000	310,000	42,600	260,000
Ending Working Capital (Fund Balance)	435,562	73,291	58,521	63,891	71,188	62,538
Total Requirements	548,432	522,902	368,521	373,891	113,788	322,538

Reserves (Budgeted amounts only)

Reserve	419,937	61,506	58,521	63,891	63,891	62,538
Total Reserves	419,937	61,506	58,521	63,891	63,891	62,538

General Capital Projects Fund (310)

Capital Projects Funds

	FY15 Actual	FY16 Actual	FY17 Adopted Budget	FY17 Budget 12/31/2016	FY17 Projections	FY18 Proposed Budget
Revenues						
Rental	14,257	22,501	15,000	15,000	15,000	15,000
Miscellaneous	4,209,371	122,111	16,000	1,096,000	1,252,584	37,414
Interfund Transfers	6,762,857	4,409,300	3,609,300	4,659,300	4,659,300	3,709,300
Draws on Line of Credit	1,900,000	0	0	0	0	2,000,000
Gen. Obligation Bonds Issued	0	4,403,278	0	3,277,991	3,277,991	0
Total Revenues	12,886,485	8,957,190	3,640,300	9,048,291	9,204,875	5,761,714
Expenditures						
Library, Rec. and Cultural Svcs.	0	4,308	20,000	20,000	20,000	20,000
Capital	11,645,861	8,572,391	26,300,541	25,602,245	25,752,378	3,205,878
Debt Service	5,106	22,375	50,000	50,000	50,000	40,000
Total Expenditures	11,650,967	8,599,074	26,370,541	25,672,245	25,822,378	3,265,878
Excess (deficiency) of revenues over expenditures	1,235,518	358,116	(22,730,241)	(16,623,954)	(16,617,503)	2,495,836
Beginning Working Capital (Fund Balance), July 1	15,902,610	17,138,128	24,056,742	17,496,244	17,496,244	878,741
Ending Working Capital (Fund Balance), June 30	17,138,128	17,496,244	1,326,501	872,290	878,741	3,374,577

Reconciliation of Total Resources and Requirements

Resources						
Beginning Working Capital (Fund Balance)	15,902,610	17,138,128	24,056,742	17,496,244	17,496,244	878,741
Total Revenues	12,886,485	8,957,190	3,640,300	9,048,291	9,204,875	5,761,714
Total Resources	28,789,095	26,095,318	27,697,042	26,544,535	26,701,119	6,640,455
Requirements						
Total Expenditures	11,650,967	8,599,074	26,370,541	25,672,245	25,822,378	3,265,878
Ending Working Capital (Fund Balance)	17,138,128	17,496,244	1,326,501	872,290	878,741	3,374,577
Total Requirements	28,789,095	26,095,318	27,697,042	26,544,535	26,701,119	6,640,455

Reserves (Budgeted amounts only)

Reserve	26,560	26,560	26,560	26,560	26,560	26,560
Balance Available	673,619	686,990	1,299,941	845,730	845,730	3,348,017
Total Reserves	700,179	713,550	1,326,501	872,290	872,290	3,374,577

Special Assessments Capital Projects Fund (350) Capital Projects Funds

	FY15 Actual	FY16 Actual	FY17 Adopted Budget	FY17 Budget 12/31/2016	FY17 Projections	FY18 Proposed Budget
Revenues						
Charges for Services	0	103,816	0	0	64,000	0
Miscellaneous	16,706	12,467	14,500	14,500	17,370	33,900
Principal on Assessments	19,791	22,763	11,600	11,600	11,800	7,000
Total Revenues	36,497	139,046	26,100	26,100	93,170	40,900
Expenditures						
Interfund Transfers	0	610,291	20,000	20,000	20,000	20,000
Total Expenditures	0	610,291	20,000	20,000	20,000	20,000
Excess (deficiency) of revenues over expenditures	36,497	(471,245)	6,100	6,100	73,170	20,900
Beginning Working Capital (Fund Balance), July 1	1,561,990	1,598,487	1,105,596	1,127,242	1,127,242	1,200,412
Ending Working Capital (Fund Balance), June 30	1,598,487	1,127,242	1,111,696	1,133,342	1,200,412	1,221,312

Reconciliation of Total Resources and Requirements

Resources						
Beginning Working Capital (Fund Balance)	1,561,990	1,598,487	1,105,596	1,127,242	1,127,242	1,200,412
Total Revenues	36,497	139,046	26,100	26,100	93,170	40,900
Total Resources	1,598,487	1,737,533	1,131,696	1,153,342	1,220,412	1,241,312
Requirements						
Total Expenditures	0	610,291	20,000	20,000	20,000	20,000
Ending Working Capital (Fund Balance)	1,598,487	1,127,242	1,111,696	1,133,342	1,200,412	1,221,312
Total Requirements	1,598,487	1,737,533	1,131,696	1,153,342	1,220,412	1,241,312

Reserves (Budgeted amounts only)

Balance Available	1,504,126	991,696	1,111,696	1,133,342	1,133,342	1,221,312
Total Reserves	1,504,126	991,696	1,111,696	1,133,342	1,133,342	1,221,312

Systems Development Capital Projects Fund (330) Capital Projects Funds

	FY15 Actual	FY16 Actual	FY17 Adopted Budget	FY17 Budget 12/31/2016	FY17 Projections	FY18 Proposed Budget
Revenues						
Intergovernmental	0	2,500	0	0	0	0
Rental	131,751	163,503	288,840	288,840	159,072	159,840
Charges for Services	6,055,062	5,793,644	3,992,100	3,992,100	6,341,707	4,345,298
Miscellaneous	163,002	190,000	112,947	112,947	287,331	255,417
Principal on Notes/Loans	0	5,124	0	0	0	0
Total Revenues	6,349,815	6,154,771	4,393,887	4,393,887	6,788,110	4,760,555
Expenditures						
Planning and Development	80,380	99,537	91,129	91,129	91,129	119,171
Public Works	330,961	232,238	502,248	497,730	478,449	531,453
Capital	2,034,025	2,780,933	11,907,066	12,796,283	12,796,283	5,524,830
Interfund Transfers	34,000	39,000	41,000	41,000	41,000	44,000
Total Expenditures	2,479,366	3,151,708	12,541,443	13,426,142	13,406,861	6,219,454
Excess (deficiency) of revenues over expenditures	3,870,449	3,003,063	(8,147,556)	(9,032,255)	(6,618,751)	(1,458,899)
Beginning Working Capital (Fund Balance), July 1	17,006,703	20,877,152	23,164,407	23,880,215	23,880,215	17,261,464
Ending Working Capital (Fund Balance), June 30	20,877,152	23,880,215	15,016,851	14,847,960	17,261,464	15,802,565

Reconciliation of Total Resources and Requirements

Resources						
Beginning Working Capital (Fund Balance)	17,006,703	20,877,152	23,164,407	23,880,215	23,880,215	17,261,464
Total Revenues	6,349,815	6,154,771	4,393,887	4,393,887	6,788,110	4,760,555
Total Resources	23,356,518	27,031,923	27,558,294	28,274,102	30,668,325	22,022,019
Requirements						
Total Expenditures	2,479,366	3,151,708	12,541,443	13,426,142	13,406,861	6,219,454
Ending Working Capital (Fund Balance)	20,877,152	23,880,215	15,016,851	14,847,960	17,261,464	15,802,565
Total Requirements	23,356,518	27,031,923	27,558,294	28,274,102	30,668,325	22,022,019

Reserves (Budgeted amounts only)

Balance Available	13,128,580	15,146,122	15,016,851	14,847,960	14,847,960	15,802,565
Total Reserves	13,128,580	15,146,122	15,016,851	14,847,960	14,847,960	15,802,565

Transportation Capital Projects Fund (340)

Capital Projects Funds

	FY15 Actual	FY16 Actual	FY17 Adopted Budget	FY17 Budget 12/31/2016	FY17 Projections	FY18 Proposed Budget
Revenues						
Taxes	2,996,958	3,050,845	2,880,000	2,880,000	3,209,198	3,000,000
Intergovernmental	747,367	1,079,702	3,720,662	11,428,562	11,461,462	10,639,471
Rental	25,159	39,707	0	0	36,000	0
Charges for Services	335,321	140,592	25,000	75,521	50,521	50,000
Miscellaneous	21,314	27,635	16,000	16,000	32,948	30,000
Draws on Line of Credit	6,800,000	6,879,700	8,600,000	12,770,240	11,397,713	8,900,000
Interfund Transfers	224,752	30,000	30,000	30,000	30,000	30,000
Total Revenues	11,150,871	11,248,181	15,271,662	27,200,323	26,217,842	22,649,471
Expenditures						
Capital	11,825,185	10,008,250	28,608,009	30,785,650	30,785,650	22,701,671
Debt Service	3,682	5,680	10,000	10,000	10,000	10,000
Total Expenditures	11,828,867	10,013,930	28,618,009	30,795,650	30,795,650	22,711,671
Excess (deficiency) of revenues over expenditures	(677,996)	1,234,251	(13,346,347)	(3,595,327)	(4,577,808)	(62,200)
Beginning Working Capital (Fund Balance), July 1	4,944,056	4,266,060	14,789,219	5,500,311	5,500,311	922,503
Ending Working Capital (Fund Balance), June 30	4,266,060	5,500,311	1,442,872	1,904,984	922,503	860,303
Reconciliation of Total Resources and Requirements						
Resources						
Beginning Working Capital (Fund Balance)	4,944,056	4,266,060	14,789,219	5,500,311	5,500,311	922,503
Total Revenues	11,150,871	11,248,181	15,271,662	27,200,323	26,217,842	22,649,471
Total Resources	16,094,927	15,514,241	30,060,881	32,700,634	31,718,153	23,571,974
Requirements						
Total Expenditures	11,828,867	10,013,930	28,618,009	30,795,650	30,795,650	22,711,671
Ending Working Capital (Fund Balance)	4,266,060	5,500,311	1,442,872	1,904,984	922,503	860,303
Total Requirements	16,094,927	15,514,241	30,060,881	32,700,634	31,718,153	23,571,974
Reserves (Budgeted amounts only)						
Balance Available	254,281	2,077,916	1,442,872	1,904,984	1,904,984	860,303
Total Reserves	254,281	2,077,916	1,442,872	1,904,984	1,904,984	860,303

Ambulance Transport Fund (592)

Enterprise Funds

	FY15 Actual	FY16 Actual	FY17 Adopted Budget	FY17 Budget 12/31/2016	FY17 Projections	FY18 Proposed Budget
Revenues						
Intergovernmental	377,714	0	0	13,930	13,930	0
Charges for Services	7,664,189	8,094,301	8,075,178	8,213,418	7,971,064	8,315,522
Miscellaneous	133,807	171,979	92,655	92,655	129,129	299,011
Total Revenues	8,175,710	8,266,280	8,167,833	8,320,003	8,114,123	8,614,533
Expenditures						
Fire and Emerg. Med. Srvcs.	7,004,681	7,435,167	7,474,415	7,838,585	7,852,515	8,190,077
Interfund Transfers	947,031	932,390	899,998	899,998	899,998	979,757
Total Expenditures	7,951,712	8,367,557	8,374,413	8,738,583	8,752,513	9,169,834
Excess (deficiency) of revenues over expenditures	223,998	(101,277)	(206,580)	(418,580)	(638,390)	(555,301)
Beginning Working Capital (Fund Balance), July 1	1,074,775	1,298,773	1,091,244	1,197,496	1,197,496	559,106
Ending Working Capital (Fund Balance), June 30	1,298,773	1,197,496	884,664	778,916	559,106	3,805

Reconciliation of Total Resources and Requirements

Resources						
Beginning Working Capital (Fund Balance)	1,074,775	1,298,773	1,091,244	1,197,496	1,197,496	559,106
Total Revenues	8,175,710	8,266,280	8,167,833	8,320,003	8,114,123	8,614,533
Total Resources	9,250,485	9,565,053	9,259,077	9,517,499	9,311,619	9,173,639
Requirements						
Total Expenditures	7,951,712	8,367,557	8,374,413	8,738,583	8,752,513	9,169,834
Ending Working Capital (Fund Balance)	1,298,773	1,197,496	884,664	778,916	559,106	3,805
Total Requirements	9,250,485	9,565,053	9,259,077	9,517,499	9,311,619	9,173,639

Reserves (Budgeted amounts only)

Balance Available	35,004	421,451	884,664	778,916	778,916	3,805
Total Reserves	35,004	421,451	884,664	778,916	778,916	3,805

Municipal Airport Fund (510)

Enterprise Funds

	FY15 Actual	FY16 Actual	FY17 Adopted Budget	FY17 Budget 12/31/2016	FY17 Projections	FY18 Proposed Budget
Revenues						
Intergovernmental	6,290,807	6,739,428	5,800,130	11,261,335	12,993,453	3,130,463
Rental	3,711,608	1,061,267	1,168,993	1,168,993	1,136,993	1,177,153
Charges for Services	5,714,863	8,981,761	8,908,652	8,908,652	9,665,798	9,665,051
Fines/Forfeitures	3,043	1,549	5,000	5,000	5,000	4,600
Miscellaneous	93,999	162,192	245,215	245,215	257,015	579,000
Principal on Notes/Loans	12,800	0	0	0	0	0
Total Revenues	15,827,120	16,946,197	16,127,990	21,589,195	24,058,259	14,556,267
Expenditures						
Fire and Emerg. Med. Svcs.	805,659	830,289	880,671	880,671	880,671	919,653
Police	512,415	551,207	576,555	576,555	576,555	634,276
Public Works	6,346,607	6,649,995	8,038,977	8,274,224	8,274,224	8,087,699
Capital	9,248,168	11,893,449	20,646,248	18,355,558	18,355,558	6,551,000
Interfund Transfers	508,000	520,000	603,000	603,000	603,000	605,000
Total Expenditures	17,420,849	20,444,940	30,745,451	28,690,008	28,690,008	16,797,628
Excess (deficiency) of revenues over expenditures	(1,593,729)	(3,498,743)	(14,617,461)	(7,100,813)	(4,631,749)	(2,241,361)
Beginning Working Capital (Fund Balance), July 1	17,227,922	15,634,193	20,825,322	12,135,449	12,135,449	7,503,700
Ending Working Capital (Fund Balance), June 30	15,634,193	12,135,450	6,207,861	5,034,636	7,503,700	5,262,339

Reconciliation of Total Resources and Requirements

Resources						
Beginning Working Capital (Fund Balance)	17,227,922	15,634,193	20,825,322	12,135,449	12,135,449	7,503,700
Total Revenues	15,827,120	16,946,197	16,127,990	21,589,195	24,058,259	14,556,267
Total Resources	33,055,042	32,580,390	36,953,312	33,724,644	36,193,708	22,059,967
Requirements						
Total Expenditures	17,420,849	20,444,940	30,745,451	28,690,008	28,690,008	16,797,628
Ending Working Capital (Fund Balance)	15,634,193	12,135,450	6,207,861	5,034,636	7,503,700	5,262,339
Total Requirements	33,055,042	32,580,390	36,953,312	33,724,644	36,193,708	22,059,967

Reserves (Budgeted amounts only)

Balance Available	5,702,076	5,678,284	4,819,959	4,253,576	4,253,576	5,123,314
Reserve	3,969,706	2,610,001	1,387,902	781,060	781,060	139,025
Total Reserves	9,671,782	8,288,285	6,207,861	5,034,636	5,034,636	5,262,339

Parking Services Fund (520)

Enterprise Funds

	FY15 Actual	FY16 Actual	FY17 Adopted Budget	FY17 Budget 12/31/2016	FY17 Projections	FY18 Proposed Budget
Revenues						
Rental	566,247	540,672	532,000	532,000	560,000	546,880
Charges for Services	4,553,260	4,645,822	4,782,940	4,782,940	4,688,140	4,942,940
Fines/Forfeitures	1,518,351	1,473,179	1,371,500	1,371,500	1,251,500	1,251,500
Miscellaneous	8,343	12,822	40,250	40,250	23,532	58,750
Total Revenues	6,646,201	6,672,495	6,726,690	6,726,690	6,523,172	6,800,070
Expenditures						
Central Services	344,232	394,324	407,673	407,673	407,673	401,966
Planning and Development	3,366,118	3,729,652	5,581,980	5,420,169	5,296,413	6,022,332
Public Works	47,163	76,401	84,443	76,628	76,628	78,727
Capital	0	0	50,000	50,000	50,000	250,000
Interfund Transfers	1,940,100	1,502,755	1,064,425	1,064,425	1,064,425	1,087,350
Total Expenditures	5,697,613	5,703,132	7,188,521	7,018,895	6,895,139	7,840,375
Excess (deficiency) of revenues over expenditures	948,588	969,363	(461,831)	(292,205)	(371,967)	(1,040,305)
Beginning Working Capital (Fund Balance), July 1	12,964	961,552	1,368,498	1,930,915	1,930,915	1,558,948
Ending Working Capital (Fund Balance), June 30	961,552	1,930,915	906,667	1,638,710	1,558,948	518,643

Reconciliation of Total Resources and Requirements

Resources						
Beginning Working Capital (Fund Balance)	12,964	961,552	1,368,498	1,930,915	1,930,915	1,558,948
Total Revenues	6,646,201	6,672,495	6,726,690	6,726,690	6,523,172	6,800,070
Total Resources	6,659,165	7,634,047	8,095,188	8,657,605	8,454,087	8,359,018
Requirements						
Total Expenditures	5,697,613	5,703,132	7,188,521	7,018,895	6,895,139	7,840,375
Ending Working Capital (Fund Balance)	961,552	1,930,915	906,667	1,638,710	1,558,948	518,643
Total Requirements	6,659,165	7,634,047	8,095,188	8,657,605	8,454,087	8,359,018

Reserves (Budgeted amounts only)

Balance Available	28,163	779,928	906,667	1,638,710	1,638,710	518,643
Total Reserves	28,163	779,928	906,667	1,638,710	1,638,710	518,643

Stormwater Utility Fund (539)

Enterprise Funds

	FY15 Actual	FY16 Actual	FY17 Adopted Budget	FY17 Budget 12/31/2016	FY17 Projections	FY18 Proposed Budget
Revenues						
Licenses/Permits	118,960	116,420	111,000	111,000	134,072	111,000
Intergovernmental	242,012	179,568	0	1,096,893	1,110,227	0
Rental	22,227	33,321	29,777	29,777	17,440	0
Charges for Services	16,210,511	16,881,430	17,873,000	17,873,000	18,174,431	19,015,000
Fines/Forfeitures	3,960	480	0	0	1,260	0
Miscellaneous	72,549	41,853	60,225	60,225	66,097	58,725
Total Revenues	16,670,219	17,253,072	18,074,002	19,170,895	19,503,527	19,184,725
Expenditures						
Public Works	13,111,724	13,291,306	15,334,684	15,321,784	15,274,699	15,308,444
Interfund Transfers	1,005,000	1,086,000	1,154,000	1,154,000	1,154,000	1,111,000
Capital	3,707,102	2,070,440	7,174,728	6,358,274	6,358,274	3,165,000
Special Payments	450	350	15,000	15,000	500	15,000
Total Expenditures	17,824,276	16,448,096	23,678,412	22,849,058	22,787,473	19,599,444
Excess (deficiency) of revenues over expenditures	(1,154,057)	804,976	(5,604,410)	(3,678,163)	(3,283,946)	(414,719)
Beginning Working Capital (Fund Balance), July 1	7,306,277	6,152,220	7,839,161	6,957,196	6,957,196	3,673,250
Ending Working Capital (Fund Balance), June 30	6,152,220	6,957,196	2,234,751	3,279,033	3,673,250	3,258,531

Reconciliation of Total Resources and Requirements

Resources						
Beginning Working Capital (Fund Balance)	7,306,277	6,152,220	7,839,161	6,957,196	6,957,196	3,673,250
Total Revenues	16,670,219	17,253,072	18,074,002	19,170,895	19,503,527	19,184,725
Total Resources	23,976,496	23,405,292	25,913,163	26,128,091	26,460,723	22,857,975
Requirements						
Total Expenditures	17,824,276	16,448,096	23,678,412	22,849,058	22,787,473	19,599,444
Ending Working Capital (Fund Balance)	6,152,220	6,957,196	2,234,751	3,279,033	3,673,250	3,258,531
Total Requirements	23,976,496	23,405,292	25,913,163	26,128,091	26,460,723	22,857,975

Reserves (Budgeted amounts only)

Balance Available	1,140,382	2,136,936	2,234,751	3,279,033	3,279,033	3,258,531
Total Reserves	1,140,382	2,136,936	2,234,751	3,279,033	3,279,033	3,258,531

Wastewater Utility Fund (530)

Enterprise Funds

	FY15 Actual	FY16 Actual	FY17 Adopted Budget	FY17 Budget 12/31/2016	FY17 Projections	FY18 Proposed Budget
Revenues						
Intergovernmental	0	15,981	0	0	8,790	0
Rental	16,234	23,139	22,000	22,000	21,132	6,132
Charges for Services	46,299,032	48,844,875	56,405,060	58,350,263	52,753,312	55,432,786
Fines/Forfeitures	2,750	5,725	4,500	4,500	5,700	5,000
Miscellaneous	56,400	81,364	34,000	34,000	56,721	45,500
Total Revenues	46,374,416	48,971,084	56,465,560	58,410,763	52,845,655	55,489,418
Expenditures						
Public Works	19,414,411	20,662,900	28,151,830	27,532,916	23,286,112	23,788,057
Capital	1,574,966	2,494,629	5,491,684	4,519,591	4,519,591	2,140,000
Interfund Transfers	1,492,000	1,520,000	1,718,000	1,718,000	1,718,000	1,785,000
Special Payments	23,888,320	24,689,715	27,254,200	27,254,200	26,196,500	28,589,000
Total Expenditures	46,369,697	49,367,244	62,615,714	61,024,707	55,720,203	56,302,057
Excess (deficiency) of revenues over expenditures	4,719	(396,160)	(6,150,154)	(2,613,944)	(2,874,548)	(812,639)
Beginning Working Capital (Fund Balance), July 1	4,425,700	4,430,419	6,753,847	4,034,259	4,034,259	1,159,711
Ending Working Capital (Fund Balance), June 30	4,430,419	4,034,259	603,693	1,420,315	1,159,711	347,072
Reconciliation of Total Resources and Requirements						
Resources						
Beginning Working Capital (Fund Balance)	4,425,700	4,430,419	6,753,847	4,034,259	4,034,259	1,159,711
Total Revenues	46,374,416	48,971,084	56,465,560	58,410,763	52,845,655	55,489,418
Total Resources	50,800,116	53,401,503	63,219,407	62,445,022	56,879,914	56,649,129
Requirements						
Total Expenditures	46,369,697	49,367,244	62,615,714	61,024,707	55,720,203	56,302,057
Ending Working Capital (Fund Balance)	4,430,419	4,034,259	603,693	1,420,315	1,159,711	347,072
Total Requirements	50,800,116	53,401,503	63,219,407	62,445,022	56,879,914	56,649,129
Reserves (Budgeted amounts only)						
Balance Available	1,639,359	1,263,068	603,693	1,420,315	1,420,315	347,072
Total Reserves	1,639,359	1,263,068	603,693	1,420,315	1,420,315	347,072

Facilities Services Fund (615)

Internal Service Funds

	FY15 Actual	FY16 Actual	FY17 Adopted Budget	FY17 Budget 12/31/2016	FY17 Projections	FY18 Proposed Budget
Revenues						
Rental	571,850	629,243	548,600	548,600	538,600	529,554
Charges for Services	8,495,789	9,166,229	9,920,275	9,920,275	9,787,098	10,218,866
Miscellaneous	25,872	34,116	9,000	9,000	44,782	13,500
Total Revenues	9,093,511	9,829,588	10,477,875	10,477,875	10,370,480	10,761,920
Expenditures						
Central Services	8,314,600	8,665,980	9,565,120	9,530,545	9,110,988	9,900,898
Planning and Development	258,912	249,520	582,246	460,441	459,043	492,281
Debt Service	205,770	211,700	212,000	212,000	212,000	211,165
Capital	75,508	157,367	690,294	666,506	666,506	375,000
Interfund Transfers	524,598	433,000	421,000	421,000	421,000	477,000
Total Expenditures	9,379,388	9,717,567	11,470,660	11,290,492	10,869,537	11,456,344
Excess (deficiency) of revenues over expenditures	(285,877)	112,021	(992,785)	(812,617)	(499,057)	(694,424)
Beginning Working Capital (Fund Balance), July 1	3,795,140	3,509,263	3,705,214	3,621,284	3,621,284	3,122,227
Ending Working Capital (Fund Balance), June 30	3,509,263	3,621,284	2,712,429	2,808,667	3,122,227	2,427,803

Reconciliation of Total Resources and Requirements

Resources						
Beginning Working Capital (Fund Balance)	3,795,140	3,509,263	3,705,214	3,621,284	3,621,284	3,122,227
Total Revenues	9,093,511	9,829,588	10,477,875	10,477,875	10,370,480	10,761,920
Total Resources	12,888,651	13,338,851	14,183,089	14,099,159	13,991,764	13,884,147
Requirements						
Total Expenditures	9,379,388	9,717,567	11,470,660	11,290,492	10,869,537	11,456,344
Ending Working Capital (Fund Balance)	3,509,263	3,621,284	2,712,429	2,808,667	3,122,227	2,427,803
Total Requirements	12,888,651	13,338,851	14,183,089	14,099,159	13,991,764	13,884,147

Reserves (Budgeted amounts only)

Balance Available	2,192,613	2,205,878	2,175,929	2,272,167	2,272,167	2,015,803
Reserve	542,000	542,000	536,500	536,500	536,500	412,000
Total Reserves	2,734,613	2,747,878	2,712,429	2,808,667	2,808,667	2,427,803

Fleet Services Fund (600)

Internal Service Funds

	FY15 Actual	FY16 Actual	FY17 Adopted Budget	FY17 Budget 12/31/2016	FY17 Projections	FY18 Proposed Budget
Revenues						
Rental	15,095	31,510	25,000	25,000	89,000	25,000
Charges for Services	9,194,235	9,317,623	9,199,129	9,199,129	9,094,000	9,410,443
Miscellaneous	420,909	468,684	634,000	634,000	429,195	780,000
Interfund Transfers	1,362,000	1,380,000	1,430,980	1,430,980	1,430,980	1,466,755
Total Revenues	10,992,239	11,197,817	11,289,109	11,289,109	11,043,175	11,682,198
Expenditures						
Public Works	9,104,879	8,135,384	16,094,990	18,361,069	7,713,848	15,870,583
Interfund Transfers	343,000	356,000	406,000	406,000	406,000	394,000
Total Expenditures	9,447,879	8,491,384	16,500,990	18,767,069	8,119,848	16,264,583
Excess (deficiency) of revenues over expenditures	1,544,360	2,706,433	(5,211,881)	(7,477,960)	2,923,327	(4,582,385)
Beginning Working Capital (Fund Balance), July 1	15,936,867	17,481,227	20,289,074	20,187,660	20,187,660	23,110,987
Ending Working Capital (Fund Balance), June 30	17,481,227	20,187,660	15,077,193	12,709,700	23,110,987	18,528,602

Reconciliation of Total Resources and Requirements

Resources						
Beginning Working Capital (Fund Balance)	15,936,867	17,481,227	20,289,074	20,187,660	20,187,660	23,110,987
Total Revenues	10,992,239	11,197,817	11,289,109	11,289,109	11,043,175	11,682,198
Total Resources	26,929,106	28,679,044	31,578,183	31,476,769	31,230,835	34,793,185
Requirements						
Total Expenditures	9,447,879	8,491,384	16,500,990	18,767,069	8,119,848	16,264,583
Ending Working Capital (Fund Balance)	17,481,227	20,187,660	15,077,193	12,709,700	23,110,987	18,528,602
Total Requirements	26,929,106	28,679,044	31,578,183	31,476,769	31,230,835	34,793,185

Reserves (Budgeted amounts only)

Reserve	11,402,272	16,249,496	14,629,159	11,879,943	11,879,943	17,157,656
Balance Available	211,000	451,498	448,034	829,757	829,757	1,370,946
Total Reserves	11,613,272	16,700,994	15,077,193	12,709,700	12,709,700	18,528,602

Information Systems and Services Fund (610) Internal Service Funds

	FY15 Actual	FY16 Actual	FY17 Adopted Budget	FY17 Budget 12/31/2016	FY17 Projections	FY18 Proposed Budget
Revenues						
Charges for Services	7,329,286	6,930,032	6,959,546	6,959,546	8,976,798	7,049,845
Miscellaneous	33,902	60,289	35,000	35,000	122,763	5,000
Interfund Transfers	0	1,963,826	0	0	0	0
Total Revenues	7,363,188	8,954,147	6,994,546	6,994,546	9,099,561	7,054,845
Expenditures						
Central Services	5,257,557	6,264,249	14,818,678	13,468,105	9,167,084	12,471,505
Interfund Transfers	259,000	299,000	339,000	339,000	339,000	402,000
Total Expenditures	5,516,557	6,563,249	15,157,678	13,807,105	9,506,084	12,873,505
Excess (deficiency) of revenues over expenditures	1,846,631	2,390,898	(8,163,132)	(6,812,559)	(406,523)	(5,818,660)
Beginning Working Capital (Fund Balance), July 1	5,870,281	7,716,912	11,256,249	10,107,810	10,107,810	9,701,287
Ending Working Capital (Fund Balance), June 30	7,716,912	10,107,810	3,093,117	3,295,251	9,701,287	3,882,627

Reconciliation of Total Resources and Requirements

Resources						
Beginning Working Capital (Fund Balance)	5,870,281	7,716,912	11,256,249	10,107,810	10,107,810	9,701,287
Total Revenues	7,363,188	8,954,147	6,994,546	6,994,546	9,099,561	7,054,845
Total Resources	13,233,469	16,671,059	18,250,795	17,102,356	19,207,371	16,756,132
Requirements						
Total Expenditures	5,516,557	6,563,249	15,157,678	13,807,105	9,506,084	12,873,505
Ending Working Capital (Fund Balance)	7,716,912	10,107,810	3,093,117	3,295,251	9,701,287	3,882,627
Total Requirements	13,233,469	16,671,059	18,250,795	17,102,356	19,207,371	16,756,132

Reserves (Budgeted amounts only)

Reserve	3,823,962	755,599	1,364,919	1,364,919	1,364,919	1,617,024
Balance Available	2,207,718	2,056,841	1,728,198	1,930,332	1,930,332	2,265,603
Total Reserves	6,031,680	2,812,440	3,093,117	3,295,251	3,295,251	3,882,627

Professional Services Fund (630)

Internal Service Funds

	FY15 Actual	FY16 Actual	FY17 Adopted Budget	FY17 Budget 12/31/2016	FY17 Projections	FY18 Proposed Budget
Revenues						
Charges for Services	5,847,679	5,904,649	6,216,132	6,408,978	5,844,946	6,872,859
Miscellaneous	23,756	24,656	1,000	1,000	29,000	15,000
Total Revenues	5,871,435	5,929,305	6,217,132	6,409,978	5,873,946	6,887,859
Expenditures						
Public Works	5,499,979	5,978,436	6,297,219	6,554,918	6,554,918	6,571,143
Interfund Transfers	571,000	665,000	888,000	888,000	888,000	920,000
Total Expenditures	6,070,979	6,643,436	7,185,219	7,442,918	7,442,918	7,491,143
Excess (deficiency) of revenues over expenditures	(199,544)	(714,131)	(968,087)	(1,032,940)	(1,568,972)	(603,284)
Beginning Working Capital (Fund Balance), July 1	4,556,820	4,357,276	3,690,363	3,643,145	3,643,145	2,074,173
Ending Working Capital (Fund Balance), June 30	4,357,276	3,643,145	2,722,276	2,610,205	2,074,173	1,470,889

Reconciliation of Total Resources and Requirements

Resources						
Beginning Working Capital (Fund Balance)	4,556,820	4,357,276	3,690,363	3,643,145	3,643,145	2,074,173
Total Revenues	5,871,435	5,929,305	6,217,132	6,409,978	5,873,946	6,887,859
Total Resources	10,428,255	10,286,581	9,907,495	10,053,123	9,517,091	8,962,032
Requirements						
Total Expenditures	6,070,979	6,643,436	7,185,219	7,442,918	7,442,918	7,491,143
Ending Working Capital (Fund Balance)	4,357,276	3,643,145	2,722,276	2,610,205	2,074,173	1,470,889
Total Requirements	10,428,255	10,286,581	9,907,495	10,053,123	9,517,091	8,962,032

Reserves (Budgeted amounts only)

Reserve	2,168,270	2,225,204	1,576,066	1,576,066	1,576,066	388,512
Balance Available	1,667,683	1,287,389	1,146,210	1,034,139	1,034,139	1,082,377
Total Reserves	3,835,953	3,512,593	2,722,276	2,610,205	2,610,205	1,470,889

Risk and Benefits Fund (620)

Internal Service Funds

	FY15 Actual	FY16 Actual	FY17 Adopted Budget	FY17 Budget 12/31/2016	FY17 Projections	FY18 Proposed Budget
Revenues						
Intergovernmental	461,800	295,781	210,000	210,000	210,000	200,000
Charges for Services	37,611,662	39,822,736	41,426,983	41,426,983	40,294,340	43,998,513
Miscellaneous	659,975	1,012,479	259,320	259,320	660,107	333,795
Total Revenues	38,733,437	41,130,996	41,896,303	41,896,303	41,164,447	44,532,308
Expenditures						
Central Services	30,895,899	33,078,813	35,845,849	35,845,849	35,001,419	37,949,143
Debt Service	5,784,373	6,069,373	6,364,500	6,364,500	6,364,500	6,674,500
Interfund Transfers	152,000	129,000	156,000	156,000	156,000	224,000
Total Expenditures	36,832,272	39,277,186	42,366,349	42,366,349	41,521,919	44,847,643
Excess (deficiency) of revenues over expenditures	1,901,165	1,853,810	(470,046)	(470,046)	(357,472)	(315,335)
Beginning Working Capital (Fund Balance), July 1	10,966,627	12,867,792	11,611,923	14,721,602	14,721,602	14,364,130
Ending Working Capital (Fund Balance), June 30	12,867,792	14,721,602	11,141,877	14,251,556	14,364,130	14,048,795

Reconciliation of Total Resources and Requirements

Resources						
Beginning Working Capital (Fund Balance)	10,966,627	12,867,792	11,611,923	14,721,602	14,721,602	14,364,130
Total Revenues	38,733,437	41,130,996	41,896,303	41,896,303	41,164,447	44,532,308
Total Resources	49,700,064	53,998,788	53,508,226	56,617,905	55,886,049	58,896,438
Requirements						
Total Expenditures	36,832,272	39,277,186	42,366,349	42,366,349	41,521,919	44,847,643
Ending Working Capital (Fund Balance)	12,867,792	14,721,602	11,141,877	14,251,556	14,364,130	14,048,795
Total Requirements	49,700,064	53,998,788	53,508,226	56,617,905	55,886,049	58,896,438

Reserves (Budgeted amounts only)

Reserve	6,799,591	6,812,752	6,813,473	6,963,777	6,963,777	6,961,697
Balance Available	2,764,149	4,638,566	4,328,404	7,287,779	7,287,779	7,087,098
Total Reserves	9,563,740	11,451,318	11,141,877	14,251,556	14,251,556	14,048,795

Debt service appropriations provide for the payment of principal and interest on bonds, notes and lines of credit (LOC), as well as some debt issuance costs.

The City relies on property tax-supported bonds and full faith and credit obligations for most debt. The City does not borrow externally on a short-term basis to support operations. General obligation (G.O.) bonds that are secured by property taxes must be approved by the voters. Full faith and credit obligations are backed by the City's General Fund and may be repaid from another revenue source such as rental charges; these bonds do not require voter approval.

Certain public improvements, such as streets, sewers and sidewalks, may be financed in the assessment program. A short-term LOC is used to pay the initial construction costs for assessment projects prior to long-term debt issuance. Long-term assessment bonds have a limited tax pledge and are secured by placing a lien against the benefitting properties. In addition, the City maintains reserves to cover assessment payment deficiencies.

The City has one outstanding note payable. A loan from the Department of Housing and Urban Development (HUD) was used to purchase property at the corner of Broadway and Willamette for redevelopment of the Broadway Commerce Center and is repaid from developer payments.

The City's G.O. and full faith and credit debt is rated "Aa1" by Moody's Investors Service. The limited tax debt (pension obligation bonds) is part of a pooled issuance and was upgraded by Moody's to an "A2" rating in conjunction with a rating methodology change related to pool financings in March 2017. The City has held a double-A rating on its debt since 1957.

Debt Service and Tax Information

Debt Service

Outstanding Indebtedness

The City's indebtedness as of July 1, 2016, is listed below:

	Interest Rates on Outstanding Bonds	Original Amount	Maturity Date	Outstanding Principal
Voter Approved G.O. Bonds:				
Parks, Athletic Fields and Open Space LOC	variable	\$3,000,000	6/1/2017	\$50,000
Street Bonds, Series 2012 LOC *	variable	5,000,000	6/1/2017	0
Refunding, Series 2011 **	2.000% to 3.000%	10,975,000	6/1/2022	5,450,000
Refunding, Series 2016 ***	2.000% to 5.000%	10,125,000	6/1/2026	<u>10,125,000</u>
				15,625,000
Self-Supporting General Fund Secured Debt:				
Improvement, Series 2011	7.050%	580,000	12/1/2026	216,965
Atrium Full Faith and Credit, Series 1998	4.800% to 6.200%	2,400,000	6/1/2018	390,000
Pension Obligation, Series 2002	6.850% to 7.410%	68,015,710	6/1/2028	<u>51,895,684</u>
				52,502,649
Notes Payable:				
HUD 108	0.280% to 3.700%	7,895,000	8/1/2030	<u>5,868,000</u>
Total Outstanding Debt as of July 1, 2016				<u>\$73,995,649</u>

* Street Bonds, Series 2012 LOC has a zero outstanding balance. Additional draws will occur as needed to pay for project costs and those draws will be repaid within the same fiscal year.

** The 2011 Refunding refinanced the 2002 Fire Projects, 2008 Parks Athletic Fields and Open Space Bonds, and a portion of the 2008 Parks Athletic Fields and Open Space LOC.

*** The 2016 Refunding proceeds were used to refund \$2,350,000 of the G.O. Bond and Revolving Credit Facility Parks and Open Space (POS), advance refund \$2,060,000 of the Parks and Open Spaces Bonds, Series 2004, and \$4,360,000 of the G.O. Refunding Bonds, Series 2006. In addition, \$2,000,000 of the Bond proceeds will be used for the purchase of land for Parks and Open Space, and the construction and improvement of athletic fields.

Legal Debt Limits

Under Oregon statutes, the City is limited in the amount of general obligation bonds outstanding to 3% of real market value of property. The statutory limit specifically excludes assessment, sewer and off-street parking debt. In addition, there is a separate limitation of 3% on the amount of bonds that can be outstanding for the assessment program. Full faith and credit obligations are not limited by statute.

The following schedule depicts the City's legal debt capacity and indicates the amount of marginal capacity available:

Statutory Debt Limitation Calculation as of July 1, 2016

	General Obligation Debt	Assessment Debt *
Real Market Value	\$24,318,522,865	\$24,318,522,865
Debt Capacity: 3% of Real Market Value	729,555,686	729,555,686
Outstanding Debt	(15,625,000)	(216,965)
Debt reserve	290,445	2,066
Net Debt Subject to 3% Limitation	(15,334,555)	(214,899)
Marginal Capacity	<u>\$714,221,131</u>	<u>\$729,340,787</u>
Statutory Debt Capacity Percent	98%	100%

* Totals may not tie due to rounding.

Overlapping Debt

The following schedule indicates the amount of the outstanding debt for jurisdictions that overlap with the City:

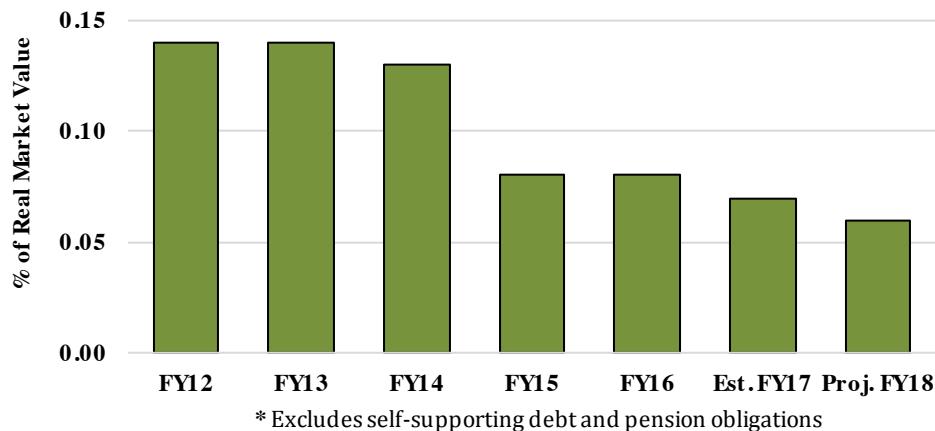
Overlapping Debt as of July 1, 2016

Overlapping District	Total Debt	Percent Overlapping	Overlapping Debt
Lane Community College	\$128,020,000	46.14%	\$59,063,179
Lane County	89,442,011	46.85%	41,902,777
Lane Education Service District	6,790,000	46.91%	3,185,094
School District 4J (Eugene)	296,638,111	78.54%	232,991,438
School District 52 (Bethel)	54,506,166	78.17%	42,605,181
Total Net Direct Overlapping Debt			<u>\$379,747,669</u>

Debt to Real Market Value

The ratio of debt to real market value is projected to be 0.06% by the end of FY18. The City has an adopted policy limiting net direct debt to no more than 1.0% of real market value.

Ratio of Net Direct Debt to Real Market Value*

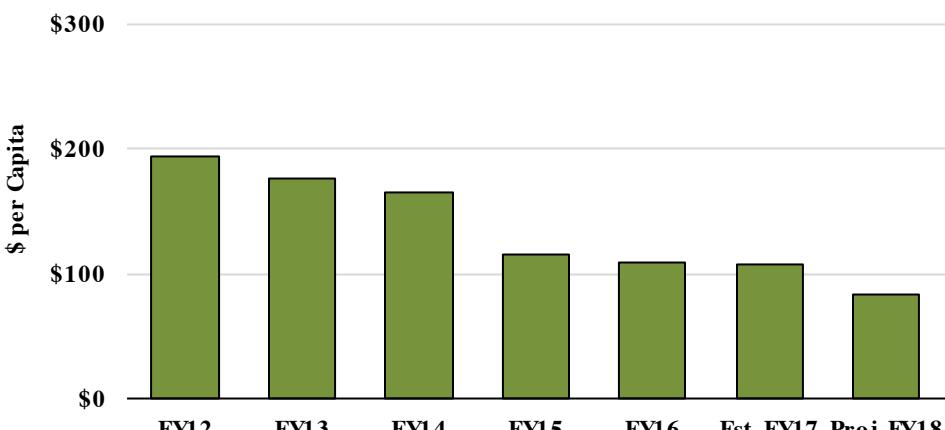


* Excludes self-supporting debt and pension obligations

Debt Per Capita

The net direct debt per capita is projected to be \$84 by June 2018.

Net Direct Debt Per Capita*



* Excludes self-supporting debt and pension obligations

Debt Service Budget – All Funds

Below is a chart that sets out the budget for principal and interest on all City debt, as well as debt issuance costs.

Debt Payments	FY15	FY16	FY17	FY17	FY18
	Actual	Actual	Adopted Budget	12/31/2016 Budget	Proposed
Community Development	\$1,594,224	\$327,642	\$365,379	\$365,379	\$364,649
G.O. Debt Service	13,720,969	23,532,717	13,333,507	13,425,650	13,447,025
Special Assessment Bond	112,870	96,076	300,000	300,000	250,000
Facilities Services	205,770	211,700	212,000	212,000	211,165
Risk and Benefits	5,784,373	6,069,373	6,364,500	6,364,500	6,674,500
Total	\$21,418,205	\$30,237,506	\$20,575,386	\$20,667,529	\$20,947,339

Debt Issuance Costs	FY15	FY16	FY17	FY17	FY18
	Actual	Actual	Adopted Budget	12/31/2016 Budget	Proposed
G.O. Debt Service	\$0	\$89,434	\$0	\$0	\$0
General Capital Projects	5,106	22,375	50,000	50,000	40,000
Transportation Capital Projects	3,682	5,680	10,000	10,000	10,000
Total	\$8,788	\$117,489	\$60,000	\$60,000	\$50,000

Authorized But Unissued Debt and Future Debt Plans

In November 2006, voters approved \$27,490,000 of G.O. bonds for parks, athletic fields and preservation of open space. As of February 28, 2017, the City had issued \$23,570,000 of debt under this authorization, leaving \$3,920,000 authorized but unissued.

In November 2012, voters approved \$43,000,000 of G.O. bonds to fix streets. As of February 28, 2017, the City has issued \$21,479,700 of debt under this authorization, leaving \$21,520,300 remaining unissued.

For both bonds referenced above, the City expects to issue debt to fund these projects as spending occurs in the form of a short-term line of credit repaid from the property tax levies within the same fiscal year.

Projected Debt Activity

The chart below sets out principal and interest payments on outstanding debt as well as projected new issuance during FY18.

FUND/ BOND OR LOAN ISSUE	Outstanding Principal Balance 7/1/2017	New Issuance	Principal Payments	Interest	Outstanding Principal Balance 6/30/2018
COMMUNITY DEVELOPMENT FUND					
HUD 108 Loan	\$5,677,000	\$0	\$193,000	\$171,649	\$5,484,000
GENERAL OBLIGATION DEBT SERVICE FUND					
G.O. Parks, Athletic Fields and Open Space LOC *	0	389,000	389,000	100,000	0
G.O. Street Bonds LOC *	0	8,900,000	8,900,000	170,000	0
G.O. Refunding, Series 2011	4,120,000	0	1,380,000	104,525	2,740,000
G.O. PROS Bonds, Series 2016	8,065,000	0	2,110,000	293,500	5,955,000
TOTAL G.O. DEBT SERVICE FUND	12,185,000	9,289,000	12,779,000	668,025	8,695,000
ASSESSMENT BOND FUND					
Limited Tax, Series 2011 **	199,565	0	50,000	15,000	149,565
TOTAL ASSESSMENT BOND FUND	199,565	0	50,000	15,000	149,565
FACILITIES SERVICES FUND					
Atrium Full Faith and Credit, Series 1998 A and B	200,000	0	200,000	5,583	0
RISK AND BENEFITS FUND					
Pension Obligations, Series 2002	50,868,230	0	1,051,915	5,622,458	49,816,315
TOTAL ALL FUNDS	\$69,129,795	\$9,289,000	\$14,273,915	\$6,482,714	\$64,144,880

* These revolving LOC facilities will be drawn down as needed to pay for project costs and those draws will be repaid within the same fiscal year. Actual activity may differ.

** The City remits all assessment proceeds to pay the assessment bonds twice each year. Actual activity may differ.

Property Taxes Levied

Property taxes represent the single largest revenue source in the City's budget. The chart below sets out the projected operating and debt service levies, along with the budgeted revenues.

Actual Current Tax Receipts FY16	Estimated Current Tax Receipts FY17	Current Levy Classification	Gross Levy FY18	Less Discounts and Delinquency	Budgeted Current Tax Receipts FY18
OPERATING LEVY					
\$90,437,550	\$93,282,000	Permanent Operating Levy	\$102,336,892	\$5,628,892	\$96,708,000
0	2,552,000	Five-year Local Option Levy for Library Operations	2,700,000	148,000	2,552,000
90,437,550	95,834,000	TOTAL OPERATING LEVY	105,036,892	5,776,892	99,260,000
DEBT SERVICE LEVY					
14,235,056	13,110,000	General Obligation Bonds	13,794,001	758,670	13,035,331
104,672,606	108,944,000	GRAND TOTAL PROPERTY TAX	118,830,893	6,535,562	112,295,331

Source: City of Eugene Finance Division; FY17 and FY18 amounts are estimates.

Property Tax Collections

The City does not receive 100% of taxes levied for two primary reasons. First, taxpayers can take advantage of an early payment discount of up to 3%. Second, not everyone pays their taxes on time and thus taxes owed become delinquent. However, even throughout the most recent recession, collection rates have remained strong, as seen below.

Fiscal Year	Total City Tax Levy Imposed	Current Tax Collections	Percent of Levy Collected*	Delinquent Tax Collections	Total Tax Collections	Total Collections as Percent of Current Levy
FY09	\$86,233,674	\$81,354,720	94.3%	\$1,934,233	\$83,288,953	96.6%
FY10	96,751,699	93,616,166	96.8%	2,196,405	95,812,571	99.0%
FY11	98,139,027	92,557,680	94.3%	2,712,680	95,270,361	97.1%
FY12	97,004,407	91,801,363	94.6%	1,654,934	93,456,297	96.3%
FY13	98,930,968	93,319,364	94.3%	2,652,663	95,972,027	97.0%
FY14	101,659,370	96,000,761	94.4%	2,714,108	98,714,869	97.1%
FY15	105,675,104	100,015,912	94.6%	2,457,097	102,473,009	97.0%
FY16	110,929,231	104,672,606	94.4%	1,987,826	106,660,432	96.2%
FY17 Estimate	115,150,056	108,944,000	94.6%	2,377,000	111,321,000	96.7%
FY18 Proposed	118,830,893	112,295,331	94.5%	1,880,000	114,175,331	96.1%

Source: Lane County Assessment & Taxation for historic information; City of Eugene Finance Division for budget year estimates.

* Collection percentage of total amount levied by Lane County Assessment & Taxation. The collection rate takes into account early payment discounts up to 3%, which reduce the expected amount of City tax receipts.

Tax Rate History

City tax rates consist of an operating rate used to pay for General Fund services, plus any bonds or local option levies approved by voters. A 10-year history is shown below.

Fiscal Year	Tax Rates per \$1,000 of Assessed Value ¹				Total City Tax Levy Imposed ³	Assessed Valuation ⁴
	Operating ²	Library	Debt Service	Total City		
FY09 ⁵	\$6.90	\$0.24	\$0.58	\$7.73	\$86,233,674	\$10,994,414,109
FY10 ⁶	6.91	0.23	1.18	8.32	96,751,699	11,466,487,764
FY11	6.90	0.23	1.20	8.33	98,139,027	11,613,161,618
FY12 ⁷	6.90	-	1.14	8.04	97,004,407	11,884,137,444
FY13	6.90	-	1.12	8.03	98,930,968	12,144,046,177
FY14	6.89	-	1.11	8.01	101,659,370	12,501,814,739
FY15 ⁶	6.89	-	1.09	7.98	105,675,104	13,029,838,380
FY16	6.88	-	1.08	7.97	110,929,231	13,685,478,306
FY17 ⁸	6.87	0.19	0.97	8.02	115,150,056	14,078,122,403
FY18 Proposed	6.87	0.18	0.94	7.99	118,830,893	14,607,000,000

Source: Lane County Assessment & Taxation for historic information; City of Eugene Finance Division for budget year estimates.

(1) These are the typical rates applied to tax bills for a majority of the City's taxpayers, per \$1,000 of taxable assessed value. Small variances in rate calculations are due to additional variables used by Lane County for generating the rates. Totals may differ slightly from the sum of individual rates due to rounding.

(2) A permanent tax rate of \$7.0058 is the City's base operating levy. The applied rate is adjusted each year due to urban renewal tax increment calculations.

(3) Net of gains and losses from individual extensions, compression losses, urban renewal taxes imposed, and roll corrections.

(4) Net of urban renewal incremental value.

(5) The four-year local option property tax levy for Library Operations was renewed at \$10.8 million starting in FY08 and ending in FY11.

(6) In November 2008, voters approved a \$35.9 million five-year General Obligation bond measure for street repairs. The debt tax rate starting in FY10 reflects a portion of that bond authorization. In November 2012 voters approved a new \$43 million five-year General Obligation bond measure for street repairs. The taxes to repay the new authorization started in FY15, after the 2008 street bond taxes ended.

(7) In December 2011, the City refinanced certain General Obligation bond issues in order to achieve interest rate savings.

(8) In November 2015, voters approved a five-year local option property tax levy for Library Operations, in the amount of \$2.7 million annually, to expand hours and services from FY17 through FY21. The FY17 debt tax rate reflects final payoff of \$19 million in General Obligation bonds for construction of the Emergency Services Center located at 2nd Avenue and Chambers Street and other public safety projects approved by voters in September 1995.

Mission Statement

The purpose of urban renewal is to stimulate economic development through private investment to provide public benefit in a specific area of the community in compliance with ORS Chapter 457. It is a means to support economic development and civic improvement by financing needed improvements within designated districts such as infrastructure, public open spaces, public plazas, public parking garages, land acquisition, renovation and façade improvements, or environmental improvements. The City currently manages two urban renewal districts: the Downtown District and the Riverfront District.



Broadway and Willamette

Governance

The City of Eugene Urban Renewal Agency (Agency) is a separate budgetary entity authorized by State statutes. The Agency was established in 1958 as a separate corporate body. In 1982, the City Council assumed the role of the Agency Board and delegated budget review to the City's Budget Committee. The Agency has two urban renewal districts and each one has its own adopted plan.

Public Involvement

The Riverfront Urban Renewal Plan calls for a committee to advise on the activities of the district. A new advisory committee will be formed this spring.

The Expenditure Review Panel (ERP) was first created in the Downtown District 2010 Plan amendment and continued in the 2016 Plan amendment (the Plan). The ERP meets annually to report to the Agency Director on the activities for the previous fiscal year, and whether expenditure of tax increment dollars was limited to projects authorized by the Plan. City Council formed a five-member panel in January 2012. The ERP's annual reports on Downtown District tax increment expenditures can be found on the City's website at www.eugene-or.gov/UR.

Agency Management

The City's Planning and Development Department manages Agency activities. Staff and most material and service costs that support Agency projects are recorded in the City of Eugene General Fund. The operating budgets of each district reimburse the City's General Fund for these costs. As a result, these expenses are shown twice, once as operating expenses in the City's General Fund budget for the department, and again in the Agency budget as Planning and Development operating expenses to reimburse the City's General Fund.

Downtown District

The Downtown District was first established in 1968 to redevelop 17 blocks in the downtown core. The original project goals involved land acquisition, building rehabilitation, and construction of public improvements.

An update of the 1968 Plan was approved by voters in 1990. The update aligned the Plan with Metro Plan policies, revised the goals and activities, and set a district expiration date of FY10.

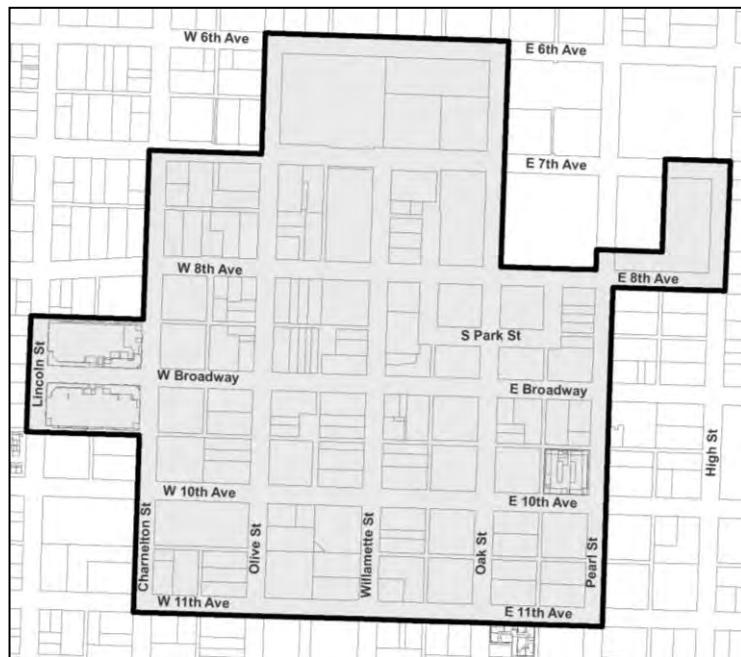
In June 1998, the City Council chose one of the options provided by Measure 50 legislation that allowed for a city-wide special levy as well as dividing the taxes collected within the district. The Council limited expenditures of new funds to completing existing projects and construction of a new Downtown Library (100 West 10th Avenue). They also approved a plan to reduce district administration.

In FY05, City Council amended the Plan to allow funding for other activities including economic revitalization strategies and to extend the termination date to June 30, 2024.

The City Council amended the Plan in May 2010 after considering options for providing public financial support to boost the local economy and revitalize downtown. The 2010 Plan amendment included three specific projects: 1) Lane Community College Downtown Campus, 2) Broadway Place Garages and Public Safety Improvements, and 3) Park Blocks Improvements for the Farmers' Market. The 2010 Plan amendment also provided for termination of the district after sufficient funds were accumulated to pay for these three projects. It was estimated that sufficient funds would be received by December 2016 and thus the Downtown District would subsequently terminate absent Council action.

City Council began a conversation in December 2015 regarding additional downtown improvements and the various funding options available. Over the course of several work sessions, Council discussed urban renewal as a funding option along with alternative funding strategies.

After considering comments from the Planning Commission, overlapping taxing districts, and the general public, City Council ultimately approved a plan amendment in June 2016 in order to build upon the existing momentum of revitalization occurring in the downtown area.



Downtown Urban Renewal District as of 2016 Plan Amendment

The 2016 Plan amendment made the following changes:

1. Increased the spending limit (“maximum indebtedness”) by \$19.4 million, to a total of \$66.0 million.
2. Specified four project activities that are eligible for urban renewal funds (described below), each with a maximum amount of tax increment funding allowed.
3. Outlined a community engagement and approval process for specific projects.
4. Expanded the boundary by five acres to include the East Park Block area and a portion of the former City Hall block, with a prohibition against using funds for the City Hall building or for a parking lot on the eastern half of the block.

The four projects included in the 2016 Plan are:

- High-Speed Fiber (not to exceed \$3 million of tax increment funds)
The 2013 City of Eugene Broadband Strategic Plan identified the development of a downtown fiber network as a strategic goal. After completion of the Strategic Plan, City staff worked with Lane Council of Governments (LCOG) and Eugene Water & Electric Board (EWEB) on a successful pilot project to test the feasibility of implementing a municipally owned downtown network. The City, EWEB, and LCOG identified a workable method to connect buildings by running fiber optic cables through existing electrical conduit. The Downtown District has high-speed fiber in several buildings as a result of the pilot project that was completed in 2016. The remainder of the Downtown District has limited telecommunications service and access to internet service providers.



Fiber Lighting Ceremony March 21, 2017 Photo: EWEB General Manager Frank Lawson and City of Eugene Mayor Lucy Vinis

Providing high-speed fiber connections downtown creates a competitive landscape for telecommunications, which has been shown to expand service options and lower prices for consumers. This project will provide telecommunications infrastructure to support the needs of the growing technology sector and other businesses in the downtown area. In addition, the fiber project expands the telecommunications infrastructure that will reduce costs and increase telecommunications speeds for Lane Community College, Lane County Government, the Lane Council of Governments, and the 4J and Bethel school districts.

- **Farmers' Market** (not to exceed \$4 million* of tax increment funds)

The Lane County Farmers' Market operates multiple times per week during the spring, summer, and fall on a portion of the Park Blocks on 8th Avenue. The Farmers' Market continues to encounter difficult issues with that location, such as inadequate electrical service, uneven, unpaved, and inaccessible surfaces, and lack of a permanent shelter. Reincorporating the Butterfly Parking Lot into the Park Blocks for the Farmers' Market would re-establish the original Park Blocks and support a cornerstone of downtown activity

and one of the most significant public event venues in the City. For the past few years, the Farmers' Market has expressed a need and desire to expand its offerings to maintain financial viability and potentially operate year-round. The Agency will improve the Park Blocks in order to make that location more attractive and functional for the Farmers' Market and accessible, safe, and inviting for the public. If that location is not feasible, the Agency may improve/ purchase another location within the Downtown District.



Lane County Farmers' Market

* The \$500,000 of unspent urban renewal funds approved in the 2010 Plan amendment are still available for the Farmers' Market project for a total cost not to exceed \$4.5 million of tax increment funds.

- Park Blocks and Open Spaces (not to exceed \$5.2 million of tax increment funds)

The City founders understood the importance of public spaces; the Park Blocks are a living legacy of their forethought and civic spirit. The design, appearance and function of the Park Blocks are a critical component of Eugene's identity and economic health and the long-term location for two beloved organizations, the Saturday Market and the Lane County Farmers' Market. On a direct path to the Willamette River from downtown, the Park Blocks are also a key part of the Willamette to Willamette Initiative.



West Park Block

Improving these spaces and increasing the opportunities for desired activities downtown requires a focused, strategic investment in the amenities, character, and public identity of the

Park Blocks, as well as the other key public open spaces downtown. The first step of this project was asking the community about their hopes and vision for our town square, and conducting a needs assessment in our growing downtown neighborhood. The Project for Public Spaces presented results of that work to Council in February 2017, which will help inform plans to implement the community vision. The improvement area could be limited to the Park Blocks or have a broader approach, and include other key downtown open spaces: Hult Plaza, Broadway Plaza, the Library Plaza, the plaza at the new City Hall, the new riverfront park, and the pedestrian path system in between these places.

For the other public spaces in the Downtown District (Broadway Plaza, the Hult Center Plaza, the Library Plaza, and the new City Hall plaza) improvements are needed to benefit the public in terms of the safety, health, and welfare of residents through the removal of blighted conditions, improved amenities and attractiveness of these spaces, as well as their impact on existing and desired adjacent uses. However, tax revenue funds cannot be used to pay for construction of a new City Hall building, nor to pay for a parking lot on the block bounded by Pearl Street, 8th Avenue, High Street, and 7th Avenue. With the needed improvements in place, these downtown spaces will have the potential to more fully support the emerging downtown neighborhood and to provide an inviting urban open space in the core of the city for the entire community. A focused, strategic investment in the amenities, design, and character of these spaces strengthens the conditions for increased desired uses and development downtown.

- Former LCC Downtown Center (not to exceed \$6 million of tax increment funds)
The former LCC Downtown Center on Willamette between 11th and 10th Avenues was vacated in January 2013 when the new LCC Downtown Campus opened on 10th Avenue and Olive Street. At present, the vacant building neither provides space for active uses nor adds to downtown vitality.

Redevelopment of this large three-story structure with full basement may include housing or activities that advance the Regional Prosperity Economic Development Plan (e.g. an innovation center with maker space, wet lab, art/tech incubator, or educational uses). An upgraded facility will benefit the Downtown District by improving a blighted building that is currently vacant, increasing the mix of uses in the Downtown District, and

stimulating additional public and private investment. Blighted conditions at this property include vacancy, underutilization, decreased property values, and population loss.

Redevelopment of this property will help eliminate blight by contributing to reinvestment in the community that can lead to increased property values, through revitalization of a stagnant and underutilized property, and creating an attraction for investors and/or entrepreneurs to reinvest in the Downtown District.



Former LCCDowntown Center

The 2016 Plan amendment requires a community engagement and approval process for the Farmers' Market, Park Blocks and Open Spaces, and the former LOCC Downtown Center. Before the Council decides on the specifics of what each project will include and how it may be funded, there will be several opportunities for community input. The plan outlines a process which includes:

- Community engagement and project scoping;
- Council review of the results and discussion of funding options (urban renewal and others);
- Council public hearing on the specific project and how it should be funded;
- Council review and decisions (to determine project specifics and funding sources); and
- Council budget approval, which includes a public hearing.

Riverfront District

The Riverfront District was created in 1985 to assist in financing public infrastructure. The Riverfront Plan was reviewed and amended by the City Council in March 2004. Major changes in the amendment included extending the termination date to 2024, expanding and revising the list of project activities, providing new cost estimates of the projects to be undertaken, establishing a spending limit ("maximum indebtedness") of \$34.8 million, expanding the existing boundary, and providing other information about the impact of the amendments. The current boundary of the district is shown in the map below.



Riverfront Urban Renewal District

Major goals in the Riverfront District are to:

- Stimulate appropriate redevelopment in the riverfront area for the EWEB Riverfront Master Plan implementation;
- Promote redevelopment of public and private properties in the area around the Wayne Morse Federal Courthouse;
- Improve connections between the core of downtown, the riverfront area, and the University of Oregon; and
- Protect or enhance the riparian area.

The Agency and Eugene Water and Electric Board (EWEB) have reached an agreement for the sale of the utility's riverfront property, marking a key milestone in the efforts to redevelop the property. Redevelopment of this site has been a part of the community's vision for many decades, reinforced through numerous public engagement opportunities over many years, and now adopted as policy and land use code. The transformation of the approximately 16-acre property is a critical piece in connecting downtown to the river and creating an active place for the entire community. The Riverfront Master Plan outlines the creation of a world-class public park along the waterfront and a high-quality riverfront development that will reflect the community's vision and provide economic and housing opportunities, compact urban development, and enhanced natural resources.

The Agency has agreed to purchase the property from EWEB for \$5.75 million. Funds for the purchase will come from the Riverfront District. City Council, acting as the Urban Renewal Agency Board, approved the terms and conditions and budget authority in 2016. The closing of the sale is expected to occur after the Agency's due diligence work.

EWEB decided to sell the property in 2013 after refocusing on their core mission of providing utility services to the community. With the agreement in place for purchasing the property, the City will be looking to work with a third party developer to begin the redevelopment of the site, in line with the Riverfront Master Plan.

The Agency is committed to delivering a high-quality, legacy project that connects downtown to the river, catalyzes economic growth, and reflects the community's vision. The riverfront redevelopment will be a key destination as Eugene takes its place on the world stage as host of the 2021 World Championships. With a new park, an improved riverfront path, and an inviting link to downtown, the site will draw people from near and far to the center of our city, and will provide a long-lasting legacy for the community.

Expenditure Summary

The Agency's primary goal is to promote redevelopment within the districts. In doing so, funds are expended among the following activities:

- Capital Projects: Public space improvements and infrastructure enhancements in the Downtown and Riverfront Districts.
- Loan Disbursements: Funding of the Downtown Revitalization Loan Program (DRLP) and the Riverfront Renewal Loan Program (River Loans) which provide loans to business and property owners, encouraging redevelopment in the Downtown and Riverfront Districts.
- Project Delivery Administration: Promotion of redevelopment projects, oversight of district-owned property, and general administration. Costs are initially incurred in the City's General Fund and then reimbursed by each district at the end of the fiscal year.

Description of Funds

The two urban renewal districts have separate budgets and account for activities in separate funds.

The Downtown District operates three funds: the Downtown General Fund, the Downtown Debt Service Fund, and the Downtown Capital Projects Fund.

- URA Downtown General Fund (Fund 817): This fund receives revenue from DRLP repayments (principal and interest on outstanding loans), property sales and leases, interest on cash balances, and interfund transfers from the Downtown Debt Service Fund. These revenues are used to:
 - Provide funding for DRLP loans for property improvements in the district boundaries;
 - Reimburse the City's General Fund for district management costs; and
 - Pay other operating costs, including property management expenses.
- URA Downtown Debt Service Fund (Fund 812): This fund receives all of the Downtown District tax increment revenues and uses those resources to:
 - Provide funding for the principal and interest payments on the URA's outstanding debt;
 - Provide funding (through interfund transfers) to the Downtown General Fund for district management costs and other operating expenses; and
 - Provide funding (through interfund transfers) to the Downtown Capital Projects Fund for specific capital improvements.
- URA Downtown Capital Projects Fund (Fund 813): This fund accounts for capital projects in the Downtown District. The Downtown Debt Service Fund uses resources to pay for specific, approved capital expenditures charged to this fund.

The Riverfront District currently operates three funds: the Riverfront General Fund, the Riverfront Capital Projects Fund, and the Riverfront Program Revenue Fund. The Riverfront Program Revenue Fund was created in FY16.

- URA Riverfront General Fund (Fund 821): This fund receives the Riverfront District tax increment revenues and uses those resources to:
 - Reimburse the City's General Fund for district management costs;
 - Pay other operating costs, including property management expenses; and
 - Provide funding (through interfund transfers) to the Riverfront Capital Projects Fund for specific capital projects.
- URA Riverfront Capital Projects Fund (Fund 823): This fund accounts for capital projects in the Riverfront District. The Riverfront General Fund transfers resources to this fund to pay for specific, approved capital expenditures.
- URA Riverfront Program Revenue Fund (Fund 824): This fund contains program revenue from the Riverfront District. Program revenues are funds that have been derived from non-property tax sources and can be used for different purposes than tax increment dollars, such as providing funding for River Loans.

This section sets out significant changes in the Urban Renewal Agency's FY18 Proposed Budget versus the FY17 Adopted Budget. Significant is defined as any percentage change that is above 5% or any budget reduction. Changes below 5% are generally due to normal year-to-year inflationary increases in contracts, salaries, health and benefit costs, and internal service charges.

Significant Changes in Expenditures by District

It's important to note that the two Urban Renewal Districts do not include FTE. Personnel and material and service costs for staff support of Agency projects are recorded in the City of Eugene General Fund and are later reimbursed by the appropriate Urban Renewal District funds.

The FY18 Proposed Budget includes the following significant changes, by district:

Downtown District: Budget increased by \$3,868,922 or 83.2% from the FY17 Adopted Budget to the FY18 Proposed Budget due to the Plan amendment approved by City Council in June 2016. Significant changes in expenditures are outlined in the table below.

Downtown District	Amount
High-Speed Fiber	\$2,150,000
Park Blocks and Open Spaces	\$300,000
Former LCC Downtown Center	\$50,000
Downtown Urban Renewal Staffing *	\$302,000
Urban Renewal Finance Manager *	\$28,000
Interfund Transfer of Tax Increment Revenue	\$2,764,252
Debt Service Payments	(\$1,034,000)
Capital Carryover	(\$515,972)
Downtown Revitalization Loan Program	(\$109,610)

* See corresponding General Fund proposed changes in Budget Message section.

- **High-Speed Fiber** – Downtown District funds in the amount of \$3 million were appropriated for the creation of a high-speed fiber network during Supplemental Budget #1 in December 2016. It's estimated that up to \$850,000 may be spent in FY17, thus the remaining \$2.15 million is included in the FY18 Proposed Budget.
- **Park Blocks and Open Spaces** – Community engagement regarding the Park Blocks and other downtown open spaces began in FY17 and the Project for Public Spaces presented the results of that work to Council in February 2017. This additional funding in FY18 will support continuation of this effort as it moves into the design phase of the project.
- **Former LCCDowntown Center** – Downtown District funds in the amount of \$50,000 were appropriated for consultant work related to the former Lane Community College downtown center during Supplemental Budget #1 in December 2016. It's anticipated that these funds will not be spent in FY17, thus the same amount is included in the FY18 Proposed Budget.
- **Downtown Urban Renewal Staffing** – Provides ongoing reimbursement to the City of Eugene General Fund for personnel costs related to supporting the Downtown District. This expense will fund personnel expenses associated with managing projects for a downtown high-speed

fiber network, Park Blocks and open space improvements, improved space for Farmers' Market, and redevelopment of the former LCC downtown center.

- **Urban Renewal Finance Manager** – This expense will fund the City of Eugene's personnel expenses associated with financial management related to work on complex financial budgeting, tracking, reconciling and reporting needs of City staff working on Downtown District projects.
- **Interfund Transfer of Tax Increment Revenue** – Tax increment revenue for the Downtown District is received in the Downtown Debt Service Fund and some of it is then transferred to the Downtown General Fund to pay for eligible expenses. An increase in this interfund transfer is needed to cover the expenditures described above, the largest being high-speed fiber.
- **Debt Service Payments** – A decrease in debt service payments is from to the debt payoff associated with the Broadway Place Garages and LCC Downtown Campus. The final principal and interest payments related to this debt will occur in FY18.
- **Capital Carryover** – Capital carryover represents unspent budget authority for capital projects carried over from prior years. Adopted budgets include capital carryover, but proposed budgets do not.
- **Downtown Revitalization Loan Program** – This is a revolving loan program, thus the amount of program revenue available varies from year-to-year as loan repayments are returned to the loan pool and subsequently loaned out for new projects.

Riverfront District: Budget increased by \$2,141,982 or 135.9% from the FY17 Adopted Budget to the FY18 Proposed Budget, primarily because of additional funds added to the loan program from reserve. Significant changes in expenditures are outlined in the table below.

Riverfront District	Amount
Riverfront Renewal Loan Program	\$2,195,218
High-Speed Fiber	\$200,000
W2W - 8th & Mill Connector	\$50,000
Urban Renewal Finance Manager *	\$28,000
Capital Carryover	(\$324,118)

* See corresponding General Fund proposed changes in Budget Message section.

- **Riverfront Renewal Loan Program** – Additional program revenue for this loan program was held in a reserve in prior years. With the expected increase in Riverfront District activity in FY18, this funding was pulled out of the reserve and added to the available loan pool.
- **High-Speed Fiber** – Riverfront District funds in the amount of \$200,000 were appropriated for the creation of a high-speed fiber network during Supplemental Budget #1 in December 2016. It's anticipated that these funds will not be spent in FY17, thus the same amount is included in the FY18 Proposed Budget.

- **Willamette to Willamette 8th & Mill Connector** – These funds are for transportation analysis related to the feasibility of circulation enhancements for the Willamette to Willamette Initiative. This initiative is focused on creating strong connections between the downtown core and the redeveloping waterfront, and between downtown and the University of Oregon.
- **Urban Renewal Finance Manager** – This expense will fund the Riverfront District's portion of the City of Eugene's personnel expenses associated with financial management related to work on complex financial budgeting, tracking, reconciling and reporting needs of City staff working on Riverfront District projects.
- **Capital Carryover** – Capital carryover represents unspent budget authority for capital projects carried over from prior years. Adopted budgets include capital carryover, but proposed budgets do not.

Significant Changes in Funding Sources

The FY18 Proposed Budget includes the following significant changes in funding sources:

- **Downtown General Fund:** Increased by \$2,654,642 or 101.8% primarily due to increased expenditures related to the 2016 Plan amendment, including \$2,150,000 for high-speed fiber, \$300,000 for Park Blocks and open spaces, and \$50,000 for the former LCC downtown center. The FY18 Proposed Budget also includes \$302,000 for additional staff to support the 2016 Plan amendment projects, and \$28,000 for additional staff to support the financial management of the district. These increased expenditures are partially offset by a reduction of \$109,610 in the loan pool for the Downtown Revitalization Loan Program.
- **Downtown Debt Service:** Increased by \$1,730,252 or 113.3% primarily due to an increase of \$2,764,252 in the interfund transfer to the Downtown General Fund to pay for 2016 Plan amendment expenses and additional staffing with tax increment revenue. This increased expenditure is partially offset by a decrease of \$1,034,000 in debt service payments from the final pay off of debt associated with the Broadway Place Garages and LCC Downtown Campus.
- **Downtown Capital Projects:** Decreased by \$515,972 or 100.0% because adopted budgets include capital carryover, but proposed budgets do not.
- **Riverfront General Fund:** Increased by \$270,882 or 107.5% due to increases of \$200,000 for the Riverfront District portion of the high-speed fiber project, \$50,000 for the Willamette to Willamette Initiative, and \$28,000 for personnel expenses to support the financial management of the district.
- **Riverfront Capital Projects:** Decreased by \$324,118 or 100.0% because adopted budgets include capital carryover, but proposed budgets do not.
- **Riverfront Program Revenue:** Increased by \$2,195,218 or 219.5% due to an increase in amount of funding available for the Riverfront Renewal Loan Program.

Urban Renewal Agency

Proposed Budget Changes

Change by District	FY17	FY18	\$ Change	% Change
	Adopted Budget	Proposed Budget		
Downtown District				
Total Expenditures	\$4,649,962	\$8,518,884	\$3,868,922	83.2%
Riverfront District				
Total Expenditures	\$1,575,999	\$3,717,981	\$2,141,982	135.9%
Total Urban Renewal Agency				
TOTAL EXPENDITURES	\$6,225,961	\$12,236,865	\$6,010,904	96.5%

Change by Funding Source

Downtown General	\$2,606,958	\$5,261,600	\$2,654,642	101.8%
Downtown Debt Service	1,527,032	3,257,284	1,730,252	113.3%
Downtown Capital Projects	515,972	0	-515,972	-100.0%
Riverfront General	251,881	522,763	270,882	107.5%
Riverfront Capital Projects	324,118	0	-324,118	-100.0%
Riverfront Program Revenue	1,000,000	3,195,218	2,195,218	219.5%
TOTAL FUNDING SOURCES	\$6,225,961	\$12,236,865	\$6,010,904	96.5%

Urban Renewal Agency

Downtown General Fund (817)

	FY15 Actual	FY16 Actual	FY17 Adopted Budget	FY17 Budget 12/31/2016	FY17 Projections	FY18 Proposed Budget
Revenues						
Rental	18,000	0	0	0	0	0
Charges for Services	932	0	0	0	0	0
Miscellaneous	49,373	62,607	65,000	65,000	75,000	75,000
Interfund Transfers	98,285	126,000	179,032	3,723,494	1,448,694	2,943,284
Principal on Notes/Loans	780,832	261,811	450,000	450,000	156,000	450,000
Total Revenues	947,422	450,418	694,032	4,238,494	1,679,694	3,468,284
Expenditures						
Planning and Development	102,763	133,796	179,032	3,723,494	1,448,694	2,943,284
Special Payments	60,000	0	2,427,926	2,427,926	300,000	2,318,316
Total Expenditures	162,763	133,796	2,606,958	6,151,420	1,748,694	5,261,600
Excess (deficiency) of revenues over expenditures	784,659	316,622	(1,912,926)	(1,912,926)	(69,000)	(1,793,316)
Beginning Working Capital (Fund Balance), July 1	835,035	1,619,694	1,942,766	1,936,316	1,936,316	1,867,316
Ending Working Capital (Fund Balance), June 30	1,619,694	1,936,316	29,840	23,390	1,867,316	74,000
Reconciliation of Total Resources and Requirements						
Resources						
Beginning Working Capital (Fund Balance)	835,035	1,619,694	1,942,766	1,936,316	1,936,316	1,867,316
Total Revenues	947,422	450,418	694,032	4,238,494	1,679,694	3,468,284
Total Resources	1,782,457	2,070,112	2,636,798	6,174,810	3,616,010	5,335,600
Requirements						
Total Expenditures	162,763	133,796	2,606,958	6,151,420	1,748,694	5,261,600
Ending Working Capital (Fund Balance)	1,619,694	1,936,316	29,840	23,390	1,867,316	74,000
Total Requirements	1,782,457	2,070,112	2,636,798	6,174,810	3,616,010	5,335,600
Reserves (Budgeted amounts only)						
Balance Available	17,650	22,442	29,840	23,390	23,390	74,000
Total Reserves	17,650	22,442	29,840	23,390	23,390	74,000

Urban Renewal Agency

Downtown Debt Service Fund (812)

	FY15 Actual	FY16 Actual	FY17 Adopted Budget	FY17 Budget 12/31/2016	FY17 Projections	FY18 Proposed Budget
Revenues						
Taxes	1,945,547	2,040,614	2,075,000	2,075,000	2,105,000	2,185,000
Miscellaneous	13,592	36,406	14,000	1,704,893	11,000	410,000
Total Revenues	1,959,139	2,077,020	2,089,000	3,779,893	2,116,000	2,595,000
Expenditures						
Debt Service	2,102,020	2,249,600	1,348,000	1,050,000	987,544	314,000
Interfund Transfers	98,285	126,000	179,032	3,723,494	1,523,494	2,943,284
Total Expenditures	2,200,305	2,375,600	1,527,032	4,773,494	2,511,038	3,257,284
Excess (deficiency) of revenues over expenditures	(241,166)	(298,580)	561,968	(993,601)	(395,038)	(662,284)
Beginning Working Capital (Fund Balance), July 1	1,598,317	1,357,151	993,601	1,058,571	1,058,571	663,533
Ending Working Capital (Fund Balance), June 30	1,357,151	1,058,571	1,555,569	64,970	663,533	1,249
Reconciliation of Total Resources and Requirements						
Resources						
Beginning Working Capital (Fund Balance)	1,598,317	1,357,151	993,601	1,058,571	1,058,571	663,533
Total Revenues	1,959,139	2,077,020	2,089,000	3,779,893	2,116,000	2,595,000
Total Resources	3,557,456	3,434,171	3,082,601	4,838,464	3,174,571	3,258,533
Requirements						
Total Expenditures	2,200,305	2,375,600	1,527,032	4,773,494	2,511,038	3,257,284
Ending Working Capital (Fund Balance)	1,357,151	1,058,571	1,555,569	64,970	663,533	1,249
Total Requirements	3,557,456	3,434,171	3,082,601	4,838,464	3,174,571	3,258,533
Reserves (Budgeted amounts only)						
Balance Available	1,266,317	974,151	1,555,569	64,970	64,970	1,249
Total Reserves	1,266,317	974,151	1,555,569	64,970	64,970	1,249

Urban Renewal Agency

Downtown Capital Projects Fund (813)

	FY15 Actual	FY16 Actual	FY17 Adopted Budget	FY17 Budget 12/31/2016	FY17 Projections	FY18 Proposed Budget
Revenues						
Miscellaneous	2,766	3,326	4,000	4,000	5,000	5,000
Total Revenues	2,766	3,326	4,000	4,000	5,000	5,000
Expenditures						
Capital	2,540	0	515,972	522,339	522,339	0
Total Expenditures	2,540	0	515,972	522,339	522,339	0
Excess (deficiency) of revenues over expenditures	226	3,326	(511,972)	(518,339)	(517,339)	5,000
Beginning Working Capital (Fund Balance), July 1	536,038	536,264	539,438	539,590	539,590	22,251
Ending Working Capital (Fund Balance), June 30	536,264	539,590	27,466	21,251	22,251	27,251

Reconciliation of Total Resources and Requirements

Resources						
Beginning Working Capital (Fund Balance)	536,038	536,264	539,438	539,590	539,590	22,251
Total Revenues	2,766	3,326	4,000	4,000	5,000	5,000
Total Resources	538,804	539,590	543,438	543,590	544,590	27,251
Requirements						
Total Expenditures	2,540	0	515,972	522,339	522,339	0
Ending Working Capital (Fund Balance)	536,264	539,590	27,466	21,251	22,251	27,251
Total Requirements	538,804	539,590	543,438	543,590	544,590	27,251

Reserves (Budgeted amounts only)

Balance Available	19,526	23,292	27,466	21,251	21,251	27,251
Total Reserves	19,526	23,292	27,466	21,251	21,251	27,251

Urban Renewal Agency

Riverfront General Fund (821)

	FY15 Actual	FY16 Actual	FY17 Adopted Budget	FY17 Budget 12/31/2016	FY17 Projections	FY18 Proposed Budget
Revenues						
Taxes	1,275,548	1,529,742	1,625,000	1,625,000	1,965,000	2,140,000
Rental	63,000	66,150	66,150	66,150	0	0
Miscellaneous	41,084	55,982	70,000	70,000	70,000	19,000
Total Revenues	1,379,632	1,651,874	1,761,150	1,761,150	2,035,000	2,159,000
Expenditures						
Planning and Development	157,375	194,372	251,881	614,381	382,917	522,763
Interfund Transfers	0	2,990,000	0	6,975,000	6,975,000	0
Total Expenditures	157,375	3,184,372	251,881	7,589,381	7,357,917	522,763
Excess (deficiency) of revenues over expenditures	1,222,257	(1,532,498)	1,509,269	(5,828,231)	(5,322,917)	1,636,237
Beginning Working Capital (Fund Balance), July 1	7,061,126	8,283,383	6,720,792	6,750,885	6,750,885	1,427,968
Ending Working Capital (Fund Balance), June 30	8,283,383	6,750,885	8,230,061	922,654	1,427,968	3,064,205

Reconciliation of Total Resources and Requirements

Resources						
Beginning Working Capital (Fund Balance)	7,061,126	8,283,383	6,720,792	6,750,885	6,750,885	1,427,968
Total Revenues	1,379,632	1,651,874	1,761,150	1,761,150	2,035,000	2,159,000
Total Resources	8,440,758	9,935,257	8,481,942	8,512,035	8,785,885	3,586,968
Requirements						
Total Expenditures	157,375	3,184,372	251,881	7,589,381	7,357,917	522,763
Ending Working Capital (Fund Balance)	8,283,383	6,750,885	8,230,061	922,654	1,427,968	3,064,205
Total Requirements	8,440,758	9,935,257	8,481,942	8,512,035	8,785,885	3,586,968

Reserves (Budgeted amounts only)

Balance Available	8,188,126	6,478,623	8,230,061	922,654	922,654	3,064,205
Total Reserves	8,188,126	6,478,623	8,230,061	922,654	922,654	3,064,205

Urban Renewal Agency

Riverfront Capital Projects Fund (823)

	FY15 Actual	FY16 Actual	FY17 Adopted Budget	FY17 Budget 12/31/2016	FY17 Projections	FY18 Proposed Budget
Revenues						
Miscellaneous	4,514	4,861	7,000	7,000	6,000	7,000
Interfund Transfers	0	0	0	6,975,000	6,975,000	0
Total Revenues	4,514	4,861	7,000	6,982,000	6,981,000	7,000
Expenditures						
Capital	20,270	200,681	324,118	7,247,205	7,147,205	0
Total Expenditures	20,270	200,681	324,118	7,247,205	7,147,205	0
Excess (deficiency) of revenues over expenditures	(15,756)	(195,820)	(317,118)	(265,205)	(166,205)	7,000
Beginning Working Capital (Fund Balance), July 1	884,388	868,632	724,864	672,812	672,812	506,607
Ending Working Capital (Fund Balance), June 30	868,632	672,812	407,746	407,607	506,607	513,607
Reconciliation of Total Resources and Requirements						
Resources						
Beginning Working Capital (Fund Balance)	884,388	868,632	724,864	672,812	672,812	506,607
Total Revenues	4,514	4,861	7,000	6,982,000	6,981,000	7,000
Total Resources	888,902	873,493	731,864	7,654,812	7,653,812	513,607
Requirements						
Total Expenditures	20,270	200,681	324,118	7,247,205	7,147,205	0
Ending Working Capital (Fund Balance)	868,632	672,812	407,746	407,607	506,607	513,607
Total Requirements	888,902	873,493	731,864	7,654,812	7,653,812	513,607
Reserves (Budgeted amounts only)						
Balance Available	493,427	399,746	407,746	407,607	407,607	513,607
Total Reserves	493,427	399,746	407,746	407,607	407,607	513,607

Urban Renewal Agency

Riverfront Program Revenue Fund (824)

	FY15 Actual	FY16 Actual	FY17 Adopted Budget	FY17 Budget 12/31/2016	FY17 Projections	FY18 Proposed Budget
Revenues						
Rental Income	0	0	0	0	66,150	66,150
Miscellaneous	0	1,918	15,000	15,000	29,000	42,000
Interfund Transfers	0	2,990,000	0	0	0	0
Total Revenues	0	2,991,918	15,000	15,000	95,150	108,150
Expenditures						
Special Payments	0	0	1,000,000	1,000,000	0	3,195,218
Total Expenditures	0	0	1,000,000	1,000,000	0	3,195,218
Excess (deficiency) of revenues over expenditures	0	2,991,918	(985,000)	(985,000)	95,150	(3,087,068)
Beginning Working Capital (Fund Balance), July 1	0	0	2,990,000	2,991,918	2,991,918	3,087,068
Ending Working Capital (Fund Balance), June 30	0	2,991,918	2,005,000	2,006,918	3,087,068	0

Reconciliation of Total Resources and Requirements

Resources						
Beginning Working Capital (Fund Balance)	0	0	2,990,000	2,991,918	2,991,918	3,087,068
Total Revenues	0	2,991,918	15,000	15,000	95,150	108,150
Total Resources	0	2,991,918	3,005,000	3,006,918	3,087,068	3,195,218
Requirements						
Total Expenditures	0	0	1,000,000	1,000,000	0	3,195,218
Ending Working Capital (Fund Balance)	0	2,991,918	2,005,000	2,006,918	3,087,068	0
Total Requirements	0	2,991,918	3,005,000	3,006,918	3,087,068	3,195,218

Reserves (Budgeted amounts only)

Reserve	0	1,995,000	2,005,000	2,005,000	2,005,000	0
Balance Available	0	0	0	1,918	1,918	0
Total Reserves	0	1,995,000	2,005,000	2,006,918	2,006,918	0

Debt service appropriations provide for the payment of principal and interest on URA bonds.

The URA issues tax increment bonds to finance major projects within its boundaries. These bonds are serviced by tax increment revenues. When an urban renewal district is first created, the assessed property value within the district boundaries is established as a “frozen base.” The URA receives property taxes related to the incremental increase in the property value that is in excess of the “frozen base.” This income is the “tax increment” revenue that is used to repay the debt.

On May 25, 2011, the Agency issued \$7,900,000 of Downtown Urban Renewal District Tax Increment Bonds, Series 2011 A, bearing a fixed interest rate of 5.2% and maturing on June 1, 2020. The proceeds of the bonds were used to refund (at a lower interest rate) \$4.4 million in debt associated with the City’s Broadway Garages limited tax bonds, and to grant \$3.5 million in financial assistance to Lane Community College for construction of their new Downtown Campus.

The URA made early prepayments on the bonds of \$500,000 in FY14, \$1 million in FY15, and \$1.2 million in FY16. The FY17 budget included a potential early prepayment of \$298,000. After the City Council amended the Downtown Plan in June 2016, this prepayment did not occur in order to accommodate new Plan expenditures. In June of 2018, the final \$298,000 of principal will be paid, bringing the balance to zero by the end of FY18.

	Original issuance	Interest rates (%)	Ending balance 6/30/2018
Tax increment bonds:			
URA Tax Increment Bonds, Series 2011 A	\$7,900,000	5.200%	\$0
Total tax increment bonds	<u>\$7,900,000</u>		<u>\$0</u>

APRIL 2017

2017 UNFUNDED NEEDS ASSESSMENT

CITY OF EUGENE



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Unfunded Needs Assessment

Purpose of the Unfunded Needs Assessment (UNA)

The Unfunded Needs Assessment (UNA) is a compilation of significant unfunded financial challenges that the City of Eugene faces in providing current services and anticipated service needs as the community grows and the organization evolves. It is compiled by asking City staff throughout the organization to describe what they see as service needs in their areas.

This assessment reflects a range of priorities driven by policy level direction from City Council goal statements, direction given at Council work sessions and other methods. Community input also drives much of the UNA items through various master planning, neighborhood planning and other processes. The UNA is also informed by City workforce needs, staff planning and assessments and professional analysis performed on infrastructure and capital projects, such as the pavement management plan and the Facility Condition Report.

The purpose of the UNA is to provide policy makers, City staff and citizens with a better understanding of the full range of unfunded needs throughout all of the service areas at a particular point in time. The results are designed to help inform the City's Executive Team, the Budget Committee and the City Council as they are making financial decisions. It is also designed to provide information about the organization's priorities for financial discussions and how those priorities will advance important City plans, policies and goals.

The UNA is an assessment of current service areas and does not address potential new areas of service that may be desired by the community. There are a number of service challenges that the community as a whole faces, and the UNA does not attempt to define or collect all of those unfunded needs. As an example, there is a significant conversation in the community about meeting the needs of the homeless population. While the City contributes to particular services that work with homelessness, that service is primarily provided by Lane County and non-profit organizations.

The UNA is a snapshot in time and is updated periodically. In the interim, there will be items that get funded, high priority items that emerge that are not contained in this report and items that transform into different approaches to service provision. When the City Council requests a policy discussion on a particular topic, the UNA can be a starting place to compile data about those specific unfunded needs, but staff will also use their most current information to provide the City Council with the required background and a range of options.

History of the UNA

This is the first year of the document called the Unfunded Needs Assessment, or UNA. The City previously prepared a document called the Multi-Year Financial Plan (MYFP) in conjunction with the Capital Improvement Program (CIP).

Over the past two years, stakeholders, including the Budget Committee, have provided feedback on the CIP and MYFP documents and processes. As a result, changes were made in order to achieve several goals. These goals include:

- A shared understanding across stakeholder groups of the purpose of the UNA;
- Stronger connections between selected projects and important policy initiatives;
- Increased transparency;
- Enhanced accountability; and
- Reduced complexity and redundancy.

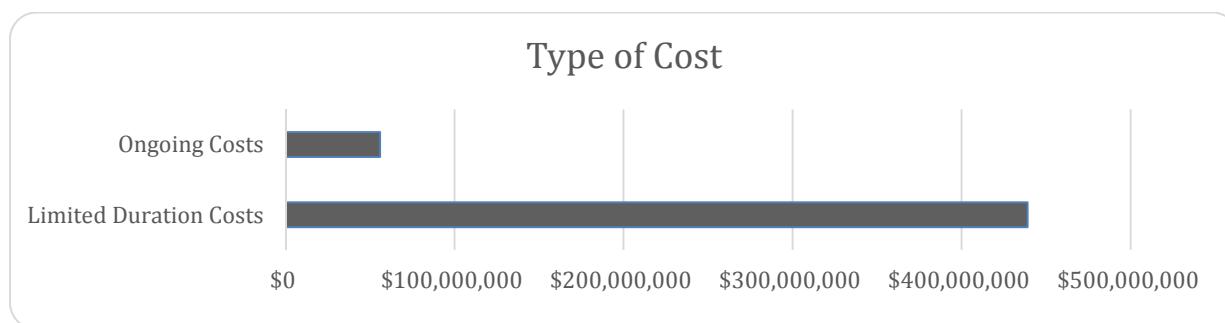
Changes include the following:

- Capital projects with secured or identified funding are included in the CIP, while ***unfunded capital projects are only included in the UNA.*** In prior years, projects with “funding not identified” were included in both the CIP and the MYFP, which at times resulted in confusion and/or redundancy. By eliminating duplicate entries, the UNA has been simplified by targeting those capital items without any secured or identified funding sources.
- ***Specific timing of unfunded items has been removed***, as that information was deemed at best an educated guess by staff about when a particular project or program would move into the funded status category. As a project is further developed and funding is identified or secured, annual funding needs for items will be further defined.
- ***Connections are made to UNA items and major City Council initiatives, plans and policies***, such as the Climate Recovery Ordinance, emergency preparedness and preparation for the 2021 World Championships.
- ***The Executive Team’s prioritization for UNA programs and projects is explained***, along with connecting those priorities to FY18 budget decisions.

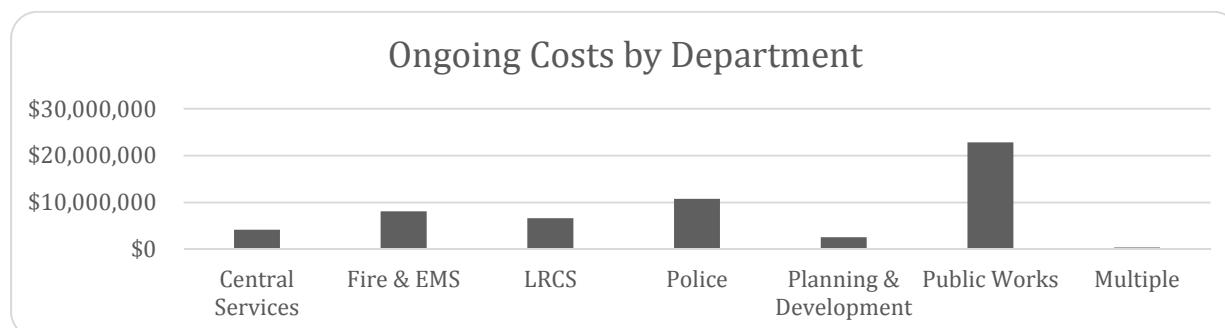
Summary of the UNA Items

The UNA consists of 140 items. These items include unfunded capital projects, as well as program operations and operations and maintenance expenses. To be included in the UNA, capital items must have an unfunded cost of at least \$250,000 and items with ongoing operating needs must have an unfunded cost of at least \$50,000 per year. The charts below set out some of the breakdown of UNA items by type and by department.

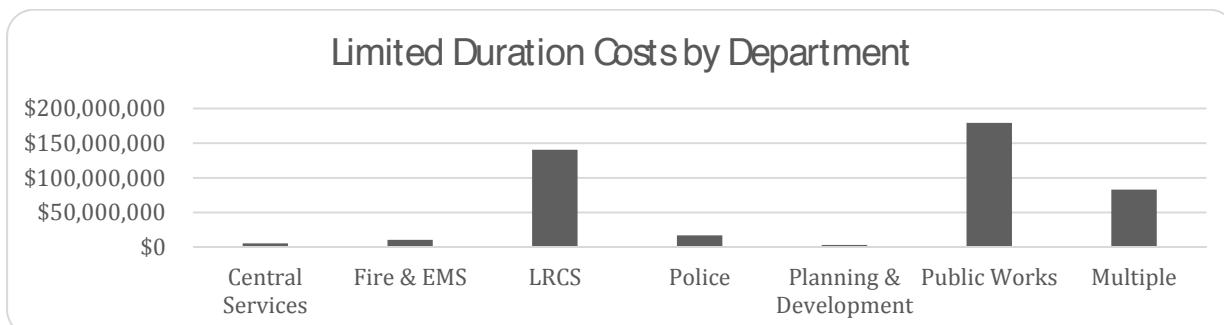
As can be seen in the chart below, both the ongoing and limited duration costs are significant. Approximately \$56 million of annual ongoing funding would be needed to pay for all of the items in the UNA. The limited duration or one-time costs are nearly \$440 million.



Ongoing costs are distributed throughout the various departments, with Public Works having the largest need for ongoing resources. The single largest ongoing unfunded need is for the pavement preservation program, with an \$18 million estimated annual cost.



Limited duration or one-time costs are more concentrated in the Library, Recreation and Cultural Services Department (LRCS) and Public Works. The largest unfunded projects in LRCS are for new or renovated community centers and pools, while large items in Public Works revolve around parks and transportation system needs.



Items Related to Major Initiatives, Plans or Policies

A majority of the items in the UNA were identified due to their connection to a major plan, policy, initiative or direction from the City Council. Appendix A shows the UNA items along with the related initiatives, plans or policies highlighted here.

Climate Recovery Ordinance (CRO): If sufficient funding were identified, a number of UNA items provide ways to move forward with the CRO goals. Examples include setting up a revolving loan fund for internal climate reduction projects, hiring an analyst to support the CRO and related activities, hiring a data engineer to assist with growth monitoring activities, implementing an expansion to the bike share system, improving the bikeways, improving urban forestry maintenance, modernizing traffic signals, and improved transportation signs and markings.

Community Justice System: The Community Justice System is comprised of a set of programs and processes designed to address municipal code offenses and includes the services of the Eugene Police Department, City Prosecutor's Office, Eugene Municipal Court, as well as local partners such as Lane County Adult Correction and social service providers. The Community Justice team uses a system-wide approach in addressing resource needs or service delivery changes in addressing community safety needs. Projects related to the UNA include stabilizing funding for Community Court, the Community Outreach Response Team (CORT) and several items related to system funding and resource gaps.

Disaster Preparedness: While the City of Eugene has a robust emergency management program, there are always additional projects that could improve the organization and community's preparations for disasters. Projects could include additional staffing, seismic upgrades to facilities and bridges, upgrading data centers and improving disaster recovery of data, improved police and fire staffing, equipment, and facilities, transportation improvements, better communications for emergency response and improving urban forestry maintenance.

Envision Eugene: The efforts of Envision Eugene could be enhanced with some of the proposed UNA items. These include updated software for permits, additional planning staff, additional neighborhood planning efforts, development of a growth monitoring program, transportation improvements and a number of items that would improve neighborhood livability and quality of life.

EWEB Riverfront Master Plan: This plan sets forth the community's vision for redevelopment of a key riverfront property in the downtown and a legacy project that could come out of preparations for the 2021 World Championships. Several UNA items would further the concepts embedded in the Master Plan, such as redefining the Mill Street and 8th Avenue intersection and creating the railroad quiet zone. Other UNA items would have associated benefits to the EWEB Master Plan, such as the implementation of the downtown high-speed fiber network and improved wayfinding.

Parks and Recreation System Plan: The City has been hard at work on this effort to plan for the future and identify project and program priorities for the next 10 to 20 years. The UNA includes numerous projects and programs that would further this system plan. Examples in recreation are maintenance and preservation of significant City recreation assets, such as pools, community centers, the River House and other facilities. Priorities also include recreation programming improvements, such as youth after-school enrichment. On the parks side, renovation of parks and park facilities, development of trails, maintenance of natural areas and mitigation of illicit activities are on the list of unfunded needs to further the system plan.

Transportation System Plan: The Transportation System Plan (TSP) is designed to improve transportation safety and reliability for residents and businesses throughout the entire city. Projects that are related to the TSP include the railroad quiet zone, upgrades to or replacement of portions of the traffic signal system, improving signs and markings, seismic retrofits to bridges, repairs to off-street shared-use paths and sidewalks, additional staffing for locates and for planning activities, improving a number of sections of streets around the City, expanding the bike share program and converting 8th Avenue to two-way between Willamette Street and the Willamette River.

Vision Zero: Vision Zero is an effort that aims to achieve a transportation system without any fatalities or serious injuries. The projects that relate to the transportation system plan would, for the most part, also promote Vision Zero goals.

2021 World Championships: There is a wide range of items that could relate to preparation for the 2021 World Championships. This event could be a catalyst to completing community priorities more quickly as there is a specific deadline for the activities. Projects in the UNA related to this effort include preparing the organization and the community for participation in and support of the World Championship event; modernizing, updating, repairing or improving a number of key City facilities that are likely to be visited by or used by visitors to the community; providing better connectivity downtown; and preparing for possible law enforcement activities during the event.

Executive Team Prioritization

The Executive Team uses the UNA, along with other processes and information, to make recommendations to the Budget Committee and City Council around funding for projects, programs and operations and maintenance. Those recommendations reflect the Executive Team's prioritization of spending. Other ways that the Executive Team expresses their prioritization of spending and staff efforts are through ongoing discussions with the City Council about various programs, such as the updates the Council receives on the Parks and Recreation System Plan and on downtown revitalization. The Executive Team strives to balance all of the priority programs, projects and services that the City Council has put forward, with the constraint that there is limited capacity to pay for all of the community and organizational needs.

During FY17, the Executive Team prioritized several items as part of the Supplemental Budget that was presented to City Council in December 2016. Those included:

- Support for homelessness
- Community Justice Initiative
- Parks safety and security
- Downtown safety and security efforts
- Downtown facilities and cleanliness
- Downtown programming
- Climate Recovery Ordinance
- Envision Eugene
- Fire training
- Neighborhood Planning
- Software replacement
- Spending on general capital maintenance
- City Hall project

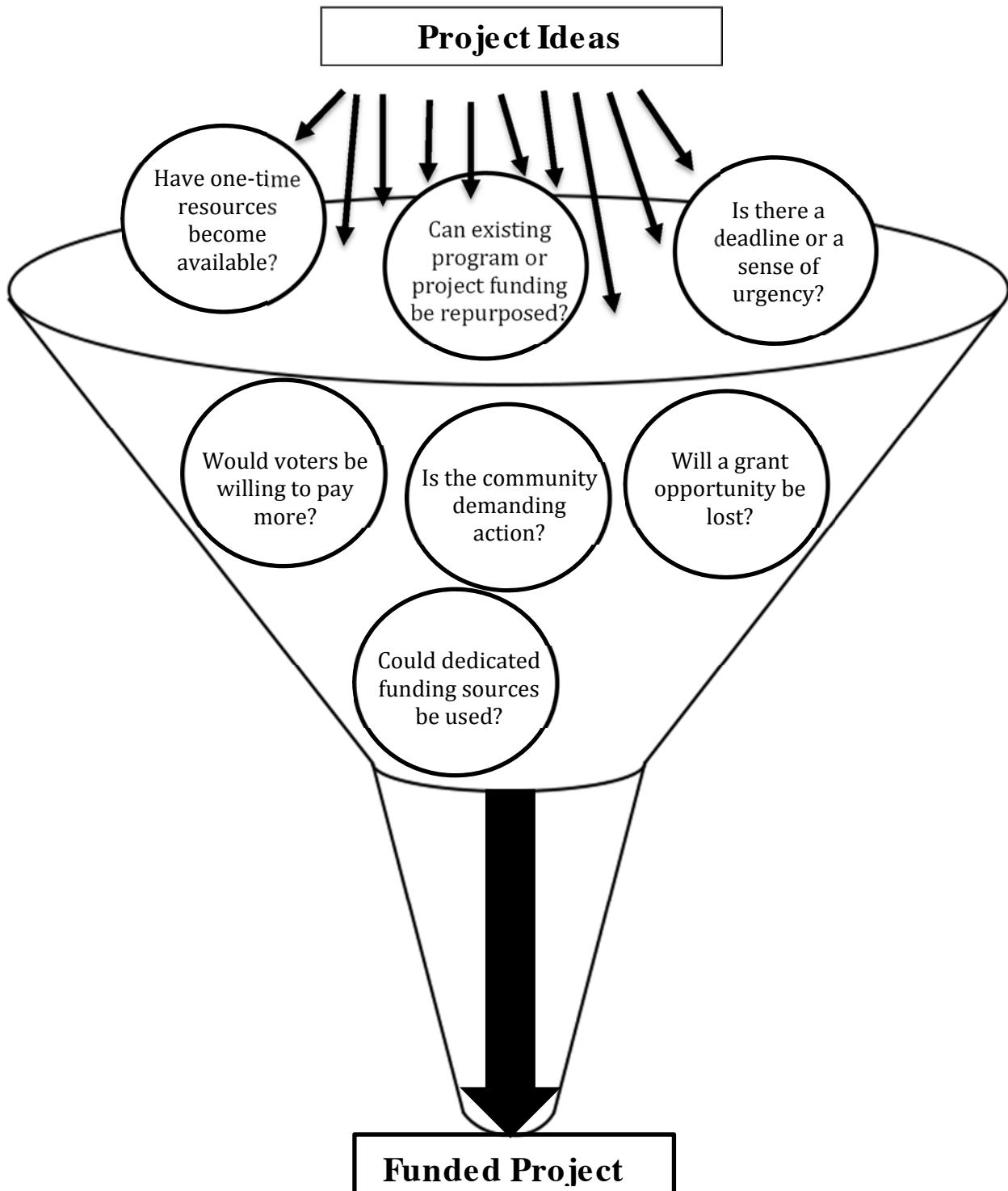
The FY18 Proposed Budget also includes prioritization of several important initiatives:

- Downtown and parks safety and security
- Community Justice Initiative
- Envision Eugene
- Body Camera Program
- Downtown Development
- Ambulance Services

The Executive Team will continue to balance all of the City Council's priority programs and projects, such as the Climate Recovery Ordinance, Parks and Recreation System Plan, EWEB Riverfront Master Plan and others. Some of the UNA items will become funded projects or programs over time, depending on a number of factors that are described in the following section.

How an UNA Item Becomes a Funded Project

The path from an idea to a funded project is not a standardized, linear process. It can take a variety of different forms and go through many different potential processes. The graphic below is meant to capture some of those things that could occur along the path to funding an idea as a concrete program or project.



Potential Funding Sources

The determination of which revenue is appropriate for which kind of program or project can be complicated in municipal government. Many of the revenue streams are restricted as to their use. There are a wide variety of potential options for the range of projects and programs represented in the UNA. Below is a brief explanation of some of those options.

There are other constraints on the selection of a potential funding option, including the economic environment in the community, the City's financial situation, competing needs for a funding source and other factors. When evaluating a particular funding source, the following factors are typically considered:

- Legality and precedence
- Revenue yield and stability
- Administrative effort
- Timeline
- Equity; fairness and indirect impacts
- Nexus of revenue source to spending
- Political feasibility

Funding for capital projects may come from one-time resources, while funding for programs, operations and maintenance should come from ongoing revenues. Some examples of each type of funding source are listed below.

Potential One-Time Funding Sources

- Grants
- Donations
- Property Sales
- Legal Settlements
- General Obligation Bond Approvals
- Local Option Property Tax Measures (5 years for operations and 10 years for capital)
- Marginal Beginning Working Capital (unanticipated carryover balances from the prior year)

Potential Ongoing Funding Sources

- Reprioritization of existing resources
- Alternate revenue sources described in the Budget Committee's 2014 Revenue Team Report:

Admissions Tax	Heavy Vehicle Tax	Restaurant Tax
Bicycle Registration Fee	Luxury Tax	Sales Tax
Business Gross Receipts Tax	Motor Vehicle Rental Tax	Solid Waste Collection Fee
Business License Fee	Paper Bag Fee	Special Districts
City Service Fee	Parking Tax	Transient Room Tax Increase
Commuter Tax	Payroll Tax	Utility Consumption Tax
Corporate Income Tax	Personal Income Tax	User Fees & Service Charges
E-Cigarette Tax	Red Light Cameras	

Debt Capacity

This section discusses the affordability of future bond issues for capital projects. There are many capital projects listed in the UNA that could be funded with bond proceeds. There are two ways to look at debt capacity: the first is to look at the capacity to issue debt under legal constraints; and the second is to look at the affordability of that debt recognizing there is a limit to the City's ability to repay obligations.

The City has used only about 2% of its more than \$703 million of legal debt capacity for General Obligation bonds as of June 30, 2016. The City's Budget Committee has determined that it would not be prudent for the City to issue debt up to that legal limit. The City has Financial Management Goals and Policies that include the following debt management guidelines. These guidelines were reviewed and approved by the Budget Committee in February 2004.

These limits define the City's affordable level of debt. The following table shows the estimated levels for the City's debt affordability ratios as of June 30, 2016.

Debt Affordability Ratios	As of June 30, 2016	Policy Limit
Net direct debt as a percent of real market value	0.10%	Maximum of 1%
Percent of net direct debt retired within 10 years	100%	Minimum of 50%
Annual debt service on all General Fund-backed debt as a percent of General Fund expenditures*	0.10%	Maximum of 10%

*Excluding pension bonds

Net direct debt includes all of the City's General Obligation bonds except 50% of the Atrium bonds. The City excludes Pension Bonds from the definition of net direct debt.

The City's debt ratios have an impact on its credit rating. The City is rated "Aa1" by Moody's Investors Service and has maintained a double-A rating since 1957. When Moody's last evaluated the City's credit, it was noted that the City's credit strengths included the low debt burden with an above-average repayment schedule.

As of June 30, 2016, there was \$75.7 million of total debt and \$22.2 million of net direct outstanding. This leaves about \$136.5 million of additional capacity for debt issuance within the policy limits. The City has identified about \$440 million of unfunded capital projects in the UNA. The projects would likely require some debt issuance in order to be fully funded. There is not sufficient debt capacity available to pay for all of the unfunded capital projects listed in the UNA, and for a number of reasons, it is not prudent to utilize the City's full debt capacity. This means that careful choices will remain regarding the use of debt to help meet the City's unfunded capital needs.

Appendix A: Related Initiatives, Plans and Policies

Dept.	UNA #	Title of Request	2021	Climate	Community	Disaster	Envision	EWEB	Parks &	Rec	Trans.	Vision
				Recovery	Justice			Eugene	Riverfront	Master	System	Zero
CS	1	Criminal Justice System Funding Gap			X							
	2	Mental Health Court Enhancements			X							
	3	Community Justice Innovation			X							
	4	Community Court Continuity			X							
	5	Municipal Court Contracted Services			X							
	6	Climate Recovery Ordinance City Organization Implementation	X	X			X	X	X		X	X
	7	Climate Recovery Ordinance Community-Wide Implementation		X								
	8	Division Manager Strategic Institute										
	9	Equity in Contracting Program										
	10	Organization-wide Contracting Support					X					
	11	Employee Relations Support										
	12	Information Technology Project Management Support										
	13	Information Technology Security Enhancement										
	14	Digital Engagement and Gamification										
	15	Digital Conference and Meeting Rooms										
	16	Data Center and Disaster Recovery					X					
	17	Information Technology Mobility	X									
	18	Public Buildings and Facilities Management	X	X			X					
	19	Library Staff Elevator Modernization										
	20	Seismic Upgrades to Fire Stations					X					
	21	Capital Preservation Shortfall										
	22	Downtown Maintenance Enhancements	X									
EPD	23	Staffing Study			X		X					
EPD	24	EPD Financial Management Support										
EPD	25	Public Information Enhancement					X					
EPD	26	Communications Center Improvements										
EPD	27	Resources for Animal Services										

Dept.	UNA #	Title of Request	2021	Climate Recovery Ordinance	Community Justice Initiative	Disaster Preparedness	Envision Eugene	EWEB Riverfront Plan	Parks & Rec Master Plan	Trans. System Plan	Vision Zero
						X					
EPD	28	Animal Shelter Facility				X					
EPD	29	Community Liaison Program			X						
EPD	30	Evidence Control Unit									
EPD	31	Body Worn Camera Video Storage Solution									
EPD	32	Public Safety Answering Point (PSAP) Fund Shortfall									
EPD	33	Full Time Community Outreach Response Team (CORT)			X						
EPD	34	Court Liaison Officer and Admin Support			X						
EPD	35	Downtown Seasonal Personnel Enhancements			X						
EPD	36	Crimes Against Children									
EPD	37	Increased Patrol Supervision				X					
EPD	38	Communications Specialist Continuity									
EPD	39	Communications Center - Best Practices Support									
EPD	40	Police Officer Continuity									
EPD	41	Area Coordinator Program									
EPD	42	Expansion of Training Unit									
EPD	43	Lane Radio Interoperability Group (LRIG) & Southwest Seven Counties (SW7) Radio System Fees				X					
EPD	44	Street Crimes Unit									
EPD	45	Crisis Negotiation Team Van	X								
EPD	46	Replace Hilltop Radio Equipment				X					
EPD	47	Police Special Operations Facility	X			X					
Fire	48	Command Training Center				X					
Fire	49	Special Team Training Funding				X					
Fire	50	Fire Protection - Geographic Mapping				X					
Fire	51	Ambulance Transport Fund Shortfall				X					
Fire	52	Basic Life Support System				X					
Fire	53	Ambulance Transport System Enhancements				X					

Dept.	UNA #	Title of Request	2021	Climate	Community	Disaster	Envision	EWEB	Parks &	Rec	Trans.	System	Vision
				Recovery Ordinance	Justice Initiative				Riverfront Plan				
Fire	54	West Side Fire Station				X							
Fire	55	Fire Records Management System and Rostering Program											
LRCS	56	Washington/ Jefferson Skate Park and Plaza Programming											
LRCS	57	Recreation Services Low Income Participant Scholarships											
LRCS	58	Youth After-School Enrichment								X			
LRCS	59	Recreation Inclusion Services											
LRCS	60	Library Levy Service Level Continuation											
LRCS	61	Hult Center Exterior Plaza and 7th Avenue Lighting Upgrade	X										
LRCS	62	Sorenrg Theatre Remodel											
LRCS	63	Hult Center Elevator Addition											
LRCS	64	Hult Center System Replacement											
LRCS	65	Hult Center Ticket Office and Plaza Remodel	X										
LRCS	66	Pool Systems Preservation								X			
LRCS	67	Cuthbert Backstage Improvements											
LRCS	68	Riverhouse Renovation								X			
LRCS	69	4th Floor Library Renovation and Expansion											
LRCS	70	Campbell Center Renovation								X			
LRCS	71	Amazon Center Renovation								X			
LRCS	72	Petersen Barn Community Center Renovation								X			
LRCS	73	Echo Hollow Pool Remodel								X			
LRCS	74	Sheldon Community Center and Pool Renovation								X			
LRCS	75	Alton Baker White Water Park and Canoe Canal								X			
LRCS	76	Multi-Use Sports Complex								X			
LRCS	77	North Eugene Community Center, Pool and Branch Library								X			

Dept.	UNA #	Title of Request	2021	Climate	Community	Disaster	Envision	EWEB	Parks &	Rec	Trans.	System	Vision
				Recovery Ordinance	Justice Initiative				Riverfront Plan				
LRCS	78	Southwest Eugene Community Center, Pool and Branch Library								X			
LRCS	79	Downtown/ Riverfront Wayfinding	X						X				
Multiple	80	General Fund Equipment Replacement Shortfall											
Multiple	81	Downtown High-Speed Fiber Project Funding Gap											
Multiple	82	Radio Engineering and Replacement					X						
Multiple	83	City Hall Phase 1											
Multiple	84	City Hall Phase 2											
PDD	85	Homeless Support - Singles											
PDD	86	Parking Services Modernization	X										
PDD	87	Parking Services Expansion	X										
PDD	88	Parking - Project and Financial Management Services	X										
PDD	89	Parking Structure Seismic Upgrades					X						
PDD	90	Parking Asset Replacement	X										
PDD	91	Parking Structure Capital Maintenance											
PDD	92	Community-Wide Communications Enhancements	X				X		X	X			
PDD	93	Envision Eugene, Area and Neighborhood Planning, and Urban Design Planning Support							X	X			
PDD	94	Pillar 7 - Growth Monitoring		X					X			X	
PDD	95	Neighborhood Plans to Implement Envision Eugene							X				
PDD	96	Commercial Digital Plans Software							X				
PDD	97	Building Permit Tracking System							X				
PDD	98	Economic Prosperity Financial Management											
PW	99	Airport Infrastructure Support											
PW	100	Airport Fleet Services Support											
PW	101	Airport Sand Shed and Equipment Storage											
PW	102	Old Tower and Hangar Demo											

Dept.	UNA #	Title of Request	2021	Climate Recovery Ordinance	Community Justice Initiative	Disaster Preparedness	Envision Eugene	EWEB Riverfront Plan	Parks & Rec Master Plan	Trans. System Plan	Vision Zero
PW	103	Airport Roadway Improvements									
PW	104	New Auxiliary Terminal									
PW	105	General Taxiway Repairs									
PW	106	Airport Access Road Improvements									
PW	107	Parking Lot Structure/ Garage									
PW	108	Terminal/ Concourse Expansion									
PW	109	Taxiway Charlie Rehab									
PW	110	Runway Rehab-34R									
PW	111	GIS Planning and Maintenance				X			X		
PW	112	Community Park Planning Response and Support								X	
PW	113	Park Utility Cost Increases									
PW	114	POS Natural Area Maintenance							X		
PW	115	POS Mitigation of Illicit Activities	X							X	
PW	116	Park Safety and Security	X				X			X	
PW	117	POS Developed Park Maintenance	X							X	
PW	118	Private Sewer Laterals Under City Ownership									
PW	119	General Fund Fleet Replacement									
PW	120	Urban Forestry Maintenance	X	X		X	X		X	X	
PW	121	Willamette to Willamette: 8th Avenue Two-Way Conversion	X				X			X	X
PW	122	Roosevelt Yard Site									
PW	123	New Fleet Facility									
PW	124	Wastewater System Rehabilitation									
PW	125	Alton Baker Park Canoe Canal Renovation							X		
PW	126	Trail System Development	X						X		
PW	127	Urban Riverfront Development	X						X		
PW	128	Riverfront Access Improvement	X						X		
PW	129	Renovate Neighborhood Parks							X		
PW	130	Renovate Aging Park Facilities	X						X		
PW	131	Replacement of Traffic Signal Controller		X						X	X

Dept.	UNA #	Title of Request	2021	Climate	Community	Disaster	Envision	EWEB	Parks &	Rec	Trans.	System	Vision
				Recovery Ordinance	Justice Initiative				Master Plan				
PW	132	Structurally Deficient Traffic Signal Strain Pole Replacement	X	X		X					X		X
PW	133	County Farm Road Improvements					X				X		X
PW	134	Railroad Quiet Zone						X			X		X
PW	135	Master Traffic Signal Communications Plan	X	X		X					X		X
PW	136	Bethel Drive Improvements					X				X		X
PW	137	Pavement Preservation Backlog Funding										X	
PW	138	Seismic Retrofits for Critical Bridges	X			X		X			X		X
PW	139	Eugene Bike Share System Expansion	X	X							X		
PW	140	River to Ridges Bikeway Path	X	X			X			X	X		X
TOTAL			28	10	10	27	13	6	27	14	9		

Appendix B: 2017 Unfunded Needs Assessment List

Dept.	UNA #	Title of Request	Description	Ongoing Costs (\$1,000s)	Ltd Duration Costs (\$1,000s)	Additional FTE
91	1	Criminal Justice System Funding Gap	Additional justice system staffing and other resources are needed to keep pace with misdemeanor and violation activity and to address and resolve criminal cases swiftly and efficiently. Partially funded (\$250K) in FY18 with anticipated local marijuana tax revenues.	\$200		3.5
	2	Mental Health Court Enhancements	Plan and implement an expansion of the City's existing Mental Health Court, which seeks to address the special needs of those with mental illness who encounter the criminal justice system.	\$120	\$5	0.8
	3	Community Justice Innovation	Expand the capabilities of the current justice system, which does not have the staffing capacity to implement new programs even on a trial basis. Funding is needed to test a range of new innovative justice programs that are showing evidence of reducing recidivism and improving public safety.		\$300	0.0
	4	Community Court Continuity	Fully fund the community court program over the two-year pilot project period and to provide ongoing funding after the grant that partially funds the pilot project expires.	\$450	\$150	1.8
	5	Municipal Court Contracted Services	Help the City keep pace with increased arrests and filings of misdemeanor and violation activity by providing funds for additional jail beds and contractual services for indigent defense attorneys and judicial services.	\$265		0.0
	6	Climate Recovery Ordinance City Organization Implementation	Additional staff to provide organization-wide consultation on carbon emissions, to assist in meeting the requirements of the Climate Recovery Ordinance, and to provide analysis on City services as they relate to plans and policies.	\$65		0.5
	7	Climate Recovery Ordinance Community-Wide Implementation	Provide resources to help the City implement the Climate Recovery Ordinance, by facilitating community-wide actions and strategies identified in the Climate and Energy Action Plan.	\$300	\$2,150	0.0
	8	Division Manager Strategic Institute	Design, create and implement a new Division Manager Strategic Institute to provide tools and skillsets to prepare managers for the organization of the future.	\$75		0.0
	9	Equity in Contracting Program	Continue the Equity in Contracting program, to help departments contract with women and minority owned businesses more frequently and effectively.	\$100		1.0

Dept.	UNA #	Title of Request	Description	Ongoing Costs (\$1,000s)	Ltd Duration Costs (\$1,000s)	Additional FTE
17	CS 10	Organization-wide Contracting Support	Support the organization with their contracting needs by coordinating risk, legal, vendor and project management responsibilities.	\$100		1.0
	CS 11	Employee Relations Support	Staff expert dedicated to complicated employee relations issues, allowing HR to strategically address more complex and in-depth situations in the areas of Americans with Disabilities Act, Family Medical Leave Act, Worker's Compensation, and other state and federal legal obligations.	\$120		1.0
	CS 12	Information Technology Project Management Support	Establish a project management section within the City's Information Services Division to improve project management from start to finish, ensuring completion on time and on budget.	\$270		2.0
	CS 13	Information Technology Security Enhancement	Enhance security, audit and compliance, and assist employees and departments in securing their digital assets.	\$270		2.0
	CS 14	Digital Engagement and Gamification	Utilize technology and the principles of gaming to increase employee engagement, motivation, team-building, and retention.	\$100		0.0
	CS 15	Digital Conference and Meeting Rooms	Technology investment is needed to modernize existing conference and meeting rooms. Digital upgrades are intended to reduce staff travel time, enhance employee engagement and communication, and increase productivity.	\$10	\$500	0.0
	CS 16	Data Center and Disaster Recovery	Support the creation of a data center to serve as a secondary location for data storage in the event of a disaster, ensuring data accessibility and continuity of operations during most disasters.	\$500	\$1,000	3.0
	CS 17	Information Technology Mobility	Create mobile applications to improve access to City services and prepare the City for delivering visitors a more digital experience at the 2021 World Track Championships.	\$200	\$300	1.0
	CS 18	Public Buildings and Facilities Management	Improve the Facilities Division's incident management procedures, organization and planning capabilities, and address downtown issues.	\$150	\$50	1.0
	CS 19	Library Staff Elevator Modernization	Replace the downtown library staff elevator, which is often out of service. The modernization of the main Library staff elevator is needed as it has become increasingly unreliable, disrupting staffs' ability to access the workspace and patrons experience.		\$250	0.0

Dept.	UNA #	Title of Request	Description	Ongoing Costs (\$1,000s)	Ltd Duration Costs (\$1,000s)	Additional FTE
81	CS 20	Seismic Upgrades to Fire Stations	Address seismic deficiencies in the Bethel, Danebo and University Fire Stations. A grant has been submitted for funding of these projects.		\$675	0.0
	CS 21	Capital Preservation Shortfall	The City currently faces a backlog of deferred maintenance for buildings and structures. This item represents the estimated amount of resources needed to close the preservation and major maintenance funding shortfall for the General Fund.	\$750		0.0
	CS 22	Downtown Maintenance Enhancements	Enhance the level of cleaning and maintenance downtown to address increased trash and sanitary issues that have become more prevalent over the last several years.	\$150	\$50	2.0
	EPD 23	Staffing Study	Conduct a study of EPD staffing needs to inform decision makers as to what can be reasonably expected with current resources and achieve the goals of enhancing public safety in the downtown, City parks, and crime reduction throughout the community.		\$150	0.0
	EPD 24	EPD Financial Management Support	Meet increased workload in budget, grants, purchasing, accounts payable/receivable, payroll, and other departmental financial administration duties.	\$125		1.0
	EPD 25	Public Information Enhancement	Increased support the Office of the Chief division, Public Information Office, enhancing positive messaging of law enforcement efforts and responses to critical incidents.	\$95		1.0
	EPD 26	Communications Center Improvements	The Communications Center requires additional staff to provide consistency with policy and procedure review for 9-1-1 call taking and dispatch services as well as to maintain compliance with accreditation standards and industry-wide best practices.	\$115		1.0
	EPD 27	Resources for Animal Services	The cost of Animal Services and animal shelter care has risen since the start of this new program in fiscal year 2012. This request would allow EPD to pay the current service provider, Greenhill, for the increased costs without impacting other areas of EPD's budget. This was funded on a one-time basis in FY18.	\$120		0.0
	EPD 28	Animal Shelter Facility	The current First Avenue Shelter is in need of replacement due to the age and condition of the facility, as well as its functional and capacity limitations. This request would fund construction of a new animal shelter within Eugene's City limits.	\$10	\$12,000	0.0

Dept.	UNA #	Title of Request	Description	Ongoing Costs (\$1,000s)	Ltd Duration Costs (\$1,000s)	Additional FTE	
161	EPD	29	Community Liaison Program	This request would help EPD improve community relations by developing a more multi-lingual, culturally-capable community liaison, enabling the department to better understand the fears and needs of certain populations in our community, specifically those that are reluctant to access policing services.	\$170	\$10	1.0
	EPD	30	Evidence Control Unit	Evidence Specialists to maintain proper custody of all evidence and property collected by EPD, and in light of the expanding volume of digital evidence (including that from Body Worn Cameras).	\$205		2.0
	EPD	31	Body Worn Camera Video Storage Solution	Purchase long-term data storage solution for digital information captured through body worn cameras.	\$500		0.0
	EPD	32	Public Safety Answering Point (PSAP) Fund Shortfall	EPD anticipates receiving \$1.5M annually from the State but operational costs are approximately \$1.7 to \$2M annually. Additional funding is needed for the services accounted for in the PSAP Fund.	\$250		0.0
	EPD	33	Full Time Community Outreach Response Team (CORT)	Establish a permanent Community Outreach Response Team to address issues faced by homeless individuals by working in partnership with mental health professionals, advocates and various community service providers.	\$250	\$10	1.0
	EPD	34	Court Liaison Officer and Admin Support	Reestablish the Court Liaison Officer position and administrative support position to provide subpoena services, jail arraignments, court documents and police report processing, training, policy development and other duties currently being performed by a multitude of sworn and administrative staff in EPD.	\$255	\$10	2.0
	EPD	35	Downtown Seasonal Personnel Enhancements	Reassignment of duties for four officers to the Downtown Team to meet increased demand for policing services in the downtown area during the spring, summer and fall months.	\$420		0.0
	EPD	36	Crimes Against Children	Add 3 detectives in the Violent Crimes Unit specifically to address crimes against children.	\$525	\$30	3.0
	EPD	37	Increased Patrol Supervision	Bring the ratio of supervisors to patrol officers in line with the recommended level of six officers to one supervisor.	\$565	\$30	3.0
	EPD	38	Communications Specialist Continuity	Over hire 5 communications specialists to allow the Communications Center to retain a fully-trained staff throughout the year and adapt to a changing workforce.	\$615		5.0

Dept.	UNA #	Title of Request	Description	Ongoing Costs (\$1,000s)	Ltd Duration Costs (\$1,000s)	Additional FTE
20	EPD	39	Communications Center - Best Practices Support	Conform to Emergency Services Consulting International's best practices staffing guidelines which may include as many as 6.5 additional positions.	\$700	1 to 6.5
	EPD	40	Police Officer Continuity	Overhire 5 police officers so EPD can retain a fully-trained staff throughout the year and adapt to a changing workforce.	\$870	5.0
	EPD	41	Area Coordinator Program	The Area Coordinator Program is a central component of a modern community oriented policing strategy. One officer would be assigned to each of four areas of the City.	\$860	\$50
	EPD	42	Expansion of Training Unit	Full-time training team to keep EPD on the cutting edge of mandatory and optional training, while improving efficiencies in the department and mitigating the impact of detachments for training on patrol activities.	\$900	\$50
	EPD	43	Lane Radio Interoperability Group (LRIG) & Southwest Seven Counties (SW7) Radio System Fees	Police portion of annual fees paid to Lane County and Linn County to maintain and operate the county-wide radio systems LRIG and SW7.	\$1,490	0.0
	EPD	44	Street Crimes Unit	Reestablish a Street Crimes Unit to effectively reduce crime by responding quickly to emerging issues in "hotspots" throughout the City.	\$1,690	\$100
	EPD	45	Crisis Negotiation Team Van	Equipment to assist in responding to critical and high risk incidents and resolving them utilizing the least amount of force possible. This would also assist in addressing potential terrorist plots that may be heightened during the world track championship and other national or world-wide events that occur in Eugene.	\$25	\$225
	EPD	46	Replace Hilltop Radio Equipment	EPD's portion of the Lane Radio Interoperability Group's (LRIG) replacement of radio equipment on hilltop locations.		\$360
	EPD	47	Police Special Operations Facility	Facility to operate EPD's Special Operations functions, to be co-located with an Emergency Operations Center.	\$25	\$4,000
	Fire	48	Command Training Center	The request is to staff the Command Training Center and implement information technology upgrades to enhance the Center's local and regional emergency training capabilities.	\$190	1.0

Dept.	UNA #	Title of Request	Description	Ongoing Costs (\$1,000s)	Ltd Duration Costs (\$1,000s)	Additional FTE
21	Fire	49	Special Team Training Funding	This project would provide resources for training to recertify team members, monthly drills, at least one annual inter-team exercise, participation in the City's emergency planning program and more.	\$200	0.0
	Fire	50	Fire Protection - Geographic Mapping	Increase capacity for the Fire Marshal's Office to complete required fire protection system inspections across the community. The GIS Analyst position would also support fire prevention planning.	\$420	3.0
	Fire	51	Ambulance Transport Fund Shortfall	The Ambulance Transport Fund (ATF) is currently operating at an annual financial deficit, primarily due to reduced levels of reimbursement from Medicare and Medicaid.	\$870	0.0
	Fire	52	Basic Life Support System	The Basic Life Support System program is designed to deploy the appropriate medical transport unit to an emergency scene, reducing the need for Advanced Level medic units for less critical calls. Pilot project funded in FY18 with existing personnel and equipment.	\$1,250	\$750 17.0
	Fire	53	Ambulance Transport System Enhancements	The Ambulance Transport System's current staffing levels covering the community's transport needs are not sustainable. This request represents the addition of two advanced life support medic units.	\$2,590	\$500 16.0
	Fire	54	West Side Fire Station	Acquisition of land and construction of fire stations in south and west Eugene.	\$2,600	\$8,500 12.0
	Fire	55	Fire Records Management System and Rostering Program	Aging systems and the merger between the Cities of Eugene and Springfield for fire and EMS, have led to the need to replace the current system and implement a new records management system and rostering program.		\$750 0.0
	LRCS	56	Washington/Jefferson Skate Park and Plaza Programming	Fund programming at the Washington/Jefferson skate park, including after school drop-ins, skate camps, community special events, basketball, bike polo, pickle ball, inline skating, and soccer. Ongoing operational costs represent expected increases for temporary employee costs.	\$65	0.0
	LRCS	57	Recreation Services Low-Income Participant Scholarships	Additional Recreation Services low-income scholarship funding is needed to address an increasing number of qualifying patrons and to compensate for an increasing fee structure.	\$100	0.0

Dept.	UNA #	Title of Request	Description	Ongoing Costs (\$1,000s)	Ltd Duration Costs (\$1,000s)	Additional FTE
22	LRCS	58	Youth After-School Enrichment	Create sustainable funding for the afterschool program services in five 4J schools that provide education, recreation, and youth developmental opportunities. Current grant funding is set to expire.	\$120	0.0
	LRCS	59	Recreation Inclusion Services	Financial support in response to an increase in the number of patrons diagnosed with mental health disorders and disabilities.	\$150	0.0
	LRCS	60	Library Levy Service Level Continuation	Continue Library services at the level provided by the current Library Levy, which expires after FY21.	\$2,700	18.4
	LRCS	61	Hult Center Exterior Plaza and 7th Avenue Lighting Upgrade	Enhance the spaces around the Hult Center to make the venue site more attractive for locals and visitors. This is part of the placemaking project being led by Project for Public Spaces.		\$260
	LRCS	62	Soreng Theatre Remodel	Soreng Theatre seating, sound and orchestra pit redesign.		\$1,400
	LRCS	63	Hult Center Elevator Addition	To improve accessibility and visitor experiences, add elevator capacity at the Hult Center.		\$1,500
	LRCS	64	Hult Center System Replacement	The existing Hult Center heating, ventilation and air conditioning system is in need of replacement.		\$3,000
	LRCS	65	Hult Center Ticket Office and Plaza Remodel	Enhance the spaces around the Hult Center making them a greater draw for locals and visitors. This is part of the placemaking project being led by Project for Public Spaces.		\$4,000
	LRCS	66	Pool Systems Preservation	Major repairs of Echo Hollow Pool and Sheldon Pool are needed to preserve the facilities and increase energy efficiency.		\$1,500
	LRCS	67	Cuthbert Backstage Improvements	Make backstage improvements to the Cuthbert Amphitheatre.		\$2,000
	LRCS	68	Riverhouse Renovation	Update and remodel Riverhouse Community Center. Ongoing operational costs represent expected increases to facility maintenance and temporary employee costs.	\$130	\$2,980
	LRCS	69	4th Floor Library Renovation and Expansion	The 4th floor of the Downtown Library is used for City staff offices. LRCS would like to relocate staff and expand library services to the 4th floor.	\$90	\$2,000

Dept.	UNA #	Title of Request	Description	Ongoing Costs (\$1,000s)	Ltd Duration Costs (\$1,000s)	Additional FTE
23	LRCS 70	Campbell Center Renovation	The Campbell Community Center is in need of an update and remodel. Ongoing operational costs represent expected increases to facility maintenance and temporary employee costs.	\$110	\$4,935	0.0
	LRCS 71	Amazon Center Renovation	Update and remodel the Amazon Community Center. Ongoing operational costs represent expected increases to facility maintenance and temporary employee costs.	\$110	\$9,400	0.0
	LRCS 72	Petersen Barn Community Center Renovation	Update and remodel the Petersen Barn Community Center. Ongoing operational costs represent expected increases to facility maintenance and temporary employee costs.	\$100	\$6,775	0.0
	LRCS 73	Echo Hollow Pool Remodel	Update and remodel Echo Hollow Pool. Ongoing operational costs represent expected increases to facility maintenance and temporary employee costs.	\$190	\$10,165	0.0
	LRCS 74	Sheldon Community Center and Pool Renovation	Update and remodel Sheldon Community Center and Pool complex. Ongoing operational costs represent expected increases to facility maintenance and temporary employee costs.	\$245	\$9,800	0.0
	LRCS 75	Alton Baker White Water Park and Canoe Canal	Alton Baker White Water Park and Canoe Canal construction redesign and repurposing for improved recreation.	\$30	\$9,000	0.0
	LRCS 76	Multi-Use Sports Complex	Design, construct and operate a local/regional multi-sport complex. Ongoing costs are net of expected additional revenue.	\$200	\$20,750	3.3
	LRCS 77	North Eugene Community Center, Pool and Branch Library	Construction of community center, pool and branch library in North Eugene. Ongoing operational costs include approximate costs to staff and run an existing community center and pool, including facility related costs net of expected additional revenue. This estimate does not reflect the branch library or related staff costs.	\$1,100	\$25,000	9.0
	LRCS 78	Southwest Eugene Community Center, Pool and Branch Library	Construction of community center, pool and branch library in Southwest Eugene. Ongoing operational costs include approximate costs to staff and run an existing community center and pool, including facility related costs net of expected additional revenue. This estimate does not reflect the branch library or related staff costs.	\$1,100	\$25,000	9.0
	LRCS 79	Downtown/Riverfront Wayfinding	Enhance Eugene's pedestrian wayfinding program to provide consistent and clear information to assist the travelling public.	\$100	\$1,050	0.0

Dept.	UNA #	Title of Request	Description	Ongoing Costs (\$1,000s)	Ltd Duration Costs (\$1,000s)	Additional FTE
Multiple	80	General Fund Equipment Replacement Shortfall	Provide adequate funds for the City's equipment replacement costs, allowing Police, Fire, and LRCS to achieve their public safety and cultural policy objectives.	\$265		0.0
Multiple	81	Downtown High-Speed Fiber Project Funding Gap	Close the funding gap for the downtown high-speed fiber project, in the event that the City does not secure federal or state grant funds.		\$765	0.0
Multiple	82	Radio Engineering and Replacement	Coordination and replacement of current radio systems.	\$120	\$10,000	1.0
Multiple	83	City Hall Phase 1	Resources for the fourth floor tenant improvements that will be needed to make the space useable for staff under the last design iteration.		\$2,240	0.0
Multiple	84	City Hall Phase 2	The City currently leases space throughout the downtown for City offices. This request would consolidate dispersed City functions into a Phase 2 of the City Hall development.		\$70,000	0.0
PDD	85	Homeless Support - Singles	Allow the Lindholm Center to be open to provide services during the weekend.	\$75		0.0
PDD	86	Parking Services Modernization	Maintain the City's growing parking payment options and modernization efforts.	\$85		1.0
PDD	87	Parking Services Expansion	Additional staff position to help cover the growing parking service area.	\$85		1.0
PDD	88	Parking - Project and Financial Management Services	Complete project management and financial analysis for parking structure investments and capital planning needs.	\$100		1.0
PDD	89	Parking Structure Seismic Upgrades	Make seismic upgrades of the Parcade and Overpark Garages.		\$600	0.0
PDD	90	Parking Asset Replacement	Parking meter replacements, garage equipment, integration with mobility programs and parking modernization efforts.	\$175		0.0
PDD	91	Parking Structure Capital Maintenance	Funding to meet the deferred maintenance backlog identified in the 2016 Parking Structure Condition Assessment update	\$1,700		0.0

Dept.	UNA #	Title of Request	Description	Ongoing Costs (\$1,000s)	Ltd Duration Costs (\$1,000s)	Additional FTE
25	PDD	92	Community-Wide Communications Enhancements	Strengthen and support planning communication efforts to improve community outcomes, public relations and the effectiveness of community engagement and civic processes	\$100	1.0
	PDD	93	Envision Eugene, Area and Neighborhood Planning, and Urban Design Planning Support	Planner to implement Envision Eugene through area and neighborhood plans, research, analysis, and urban design work for the next three years.	\$300	0.0
	PDD	94	Pillar 7 - Growth Monitoring	Provide technical support to the growth monitoring program by tracking land use activity, building permit data, and key indicators of growth management effectiveness, including housing density, rates of redevelopment, and housing mix (the mix of multi and single family housing).	\$100	1.0
	PDD	95	Neighborhood Plans to Implement Envision Eugene	Neighborhood planning projects could utilize consultants for special studies on housing affordability, economics, design, and other planning issues as needed.	\$100	1.0
	PDD	96	Commercial Digital Plans Software	Create a fully indexed and searchable plans database with a strong user interface, allowing for increased accessibility and faster search functions.	\$550	0.0
	PDD	97	Building Permit Tracking System	Replace the current building permit tracking system, which was written 18 years ago and is still currently in use by the City.	\$1,800	0.0
	PDD	98	Economic Prosperity Financial Management	Add a staff position for financial management functions in order to accomplish economic prosperity projects.	\$55	0.5
	PW	99	Airport Infrastructure Support	An additional Airport Electrician position is needed to provide critical support and maintenance to airport infrastructure.	\$115	1.0
	PW	100	Airport Fleet Services Support	Airport Fleet Services Technician to provide support and maintenance to airport vehicles and equipment.	\$110	1.0
	PW	101	Airport Sand Shed and Equipment Storage	Construct a new storage facility for Airport sand used in winter months.	\$250	0.0
	PW	102	Old Tower and Hangar Demo	Demolition and removal of the old tower and hangar to accommodate future concourse expansion.	\$500	0.0

Dept.	UNA #	Title of Request	Description	Ongoing Costs (\$1,000s)	Ltd Duration Costs (\$1,000s)	Additional FTE
PW	103	Airport Roadway Improvements	Structural repair and improvements are needed for the paved roadways around the Airport.		\$795	0.0
PW	104	New Auxiliary Terminal	Design and construct a new auxiliary terminal at the Airport.		\$845	0.0
PW	105	General Taxiway Repairs	Several Airport taxiways are in need of repair and improvements.		\$2,000	0.0
PW	106	Airport Access Road Improvements	In order to improve primary access to the airport, funding is needed for road improvements and signage.		\$3,350	0.0
PW	107	Airport Parking Lot Structure/Garage	Design and construct an airport parking lot structure or parking garage.		\$3,500	0.0
PW	108	Terminal/Concourse Expansion	Addition of a third concourse to expand Airport services.		\$4,500	0.0
PW	109	Taxiway Charlie Rehab	Taxiway Charlie at the Airport is in need of rehabilitation.		\$7,000	0.0
PW	110	Runway Rehab-34R	Airport runway 34R needs to be rehabilitated.		\$10,000	0.0
PW	111	GIS Planning and Maintenance	GIS Technician position to manage, track, edit and share information about Parks and Open Space facilities and assets.	\$125		1.0
PW	112	Community Park Planning Response and Support	Park Planning position to assess, review and support park development proposals that come from outside the City organization.	\$100		1.0
PW	113	Park Utility Cost Increases	Fully fund parks utility expenses for lighting and watering, which have outpaced City increases to the materials and services budget.	\$115		0.0
PW	114	POS Natural Area Maintenance	Address site stabilization, trail maintenance, fuels reduction, vegetation management and habitat restoration.	\$200		1.0
PW	115	POS Mitigation of Illicit Activities	Mitigate increasing damage in developed parks and natural areas including graffiti removal, illegal camping response, vandalism repair and vegetation management in impacted areas.	\$250		0.0

Dept.	UNA #	Title of Request	Description	Ongoing Costs (\$1,000s)	Ltd Duration Costs (\$1,000s)	Additional FTE
27	PW 116	Park Safety and Security	Create a robust public safety service that will help keep Eugene's parks safer year round.	\$500		1.0
	PW 117	POS Developed Park Maintenance	Restore funding for developed park maintenance services with resources for staff positions, equipment, materials and supplies necessary to provide services including opening restrooms, daily trash pickup in neighborhood parks, as well as landscape, turf and irrigation maintenance.	\$600		2.0
	PW 118	Private Sewer Laterals Under City Ownership	Maintain, repair, and replace infrastructure once the City takes ownership and responsibility of all sewer laterals within the right-of-way.	\$910		5.0
	PW 119	General Fund Fleet Replacement	Increased resources are needed for General Fund Fleet replacement.		\$2,800	0.0
	PW 120	Urban Forestry Maintenance	Bring Eugene's urban forestry practices up to industry standards and to improve public safety.	\$300		0.0
	PW 121	Willamette to Willamette: 8th Avenue Two-Way Conversion	Convert 8th Avenue to two-way to revitalize downtown and connect with the Willamette River.		\$575	0.0
	PW 122	Roosevelt Yard Site	Preservation and maintenance of site-specific features at the Roosevelt Yard.		\$1,000	0.0
	PW 123	New Fleet Facility	Funding is needed to replace the City's aging fleet maintenance facility, which has surpassed its useful life.		\$25,000	0.0
	PW 124	Wastewater System Rehabilitation	Preserve and rehabilitate the City's aging wastewater system.	\$1,500		0.0
	PW 125	Alton Baker Park Canoe Canal Renovation	Complete a full aquatic habitat restoration of the Alton Baker Park canoe canal.		\$2,500	0.0
	PW 126	Trail System Development	Acquisition and construction of high priority trail segments to enhance the City's trail system.		\$2,700	0.0
	PW 127	Urban Riverfront Development	Plan, design and construct an urban riverfront park on the former EWEB site on the Willamette River.		\$3,000	0.0

Dept.	UNA #	Title of Request	Description	Ongoing Costs (\$1,000s)	Ltd Duration Costs (\$1,000s)	Additional FTE
PW	128	Riverfront Access Improvement	Development of leisure amenities along the Willamette River.		\$6,000	0.0
PW	129	Renovate Neighborhood Parks	Capital infrastructure funding is needed to support the renovation of aging neighborhood parks throughout the City.		\$6,800	0.0
PW	130	Renovate Aging Park Facilities	Support the renovation of aging infrastructure in parks throughout the City.		\$22,400	0.0
PW	131	Replacement of Traffic Signal Controller	Replacement of traffic signal controller is needed to bring traffic signals up to current technology.		\$1,000	0.0
PW	132	Structurally Deficient Traffic Signal Strain Pole Replacement	Replace structurally deficient traffic signal strain poles.		\$3,800	0.0
PW	133	County Farm Road Improvements	The north-south section of County Farm Road needs to be reconstructed to form a complete street.		\$4,400	0.0
PW	134	Railroad Quiet Zone	Construct the proposed safety improvements to the railroad crossings between 8th Avenue and Van Buren to meet the requirements established by the Federal Rail Administration to establish a quiet zone.		\$7,300	0.0
PW	135	Master Traffic Signal Communications Plan	Complete improvements identified in the Master Traffic Communications Plan.		\$9,500	0.0
PW	136	Bethel Drive Improvements	Reconstruct Bethel Drive as a complete street from Roosevelt to Highway 99.		\$11,800	0.0
PW	137	Pavement Preservation Backlog Funding	Increased funding is needed for the City's ongoing pavement preservation program.	\$18,000		0.0
PW	138	Seismic Retrofits for Critical Bridges	Critical seismic retrofits for high priority bridges are needed to prepare the City for a seismic event.		\$34,000	0.0
PW	139	Eugene Bike Share System Expansion	Expand the Eugene Bike Share System to provide enhanced availability at Hayward Field and other key locations, particularly in preparation for the 2021 World Championships.		\$500	0.0

Dept.	UNA #	Title of Request	Description	Ongoing Costs (\$1,000s)	Ltd Duration Costs (\$1,000s)	Additional FTE
PW	140	River to Ridges Bikeway Path	Create a path-like experience for bike and pedestrians from the Ridgeline Trail in south Eugene to 5th Street Market area.		\$1,500	0.0
TOTAL:				\$55,520	\$439,040	176.2