



COUNCIL RESOLUTION NO. 5082

**A RESOLUTION CALLING A CITY ELECTION ON MAY
21, 2013, FOR THE PURPOSE OF REFERRING TO THE
LEGAL ELECTORS OF THE CITY OF EUGENE AN
ORDINANCE AUTHORIZING IMPOSITION OF A CITY
SERVICE FEE TO FUND PUBLIC SAFETY, HOMELESS
AND BASIC HUMAN SERVICES AND CORE QUALITY
OF LIFE SERVICES**

PASSED: 6:2

REJECTED:

OPPOSED: Clark, Taylor

ABSENT:

CONSIDERED: February 13, 2013

RESOLUTION NO. 5082

A RESOLUTION CALLING A CITY ELECTION ON MAY 21, 2013, FOR THE PURPOSE OF REFERRING TO THE LEGAL ELECTORS OF THE CITY OF EUGENE AN ORDINANCE AUTHORIZING IMPOSITION OF A CITY SERVICE FEE TO FUND PUBLIC SAFETY, HOMELESS AND BASIC HUMAN SERVICES AND CORE QUALITY OF LIFE SERVICES.

The City Council of the City of Eugene finds as follows:

A. The City of Eugene has continued to experience the distressing effects of the severe economic recession that began in 2008. Because of the depressed economy, the City received significantly less revenue from property taxes than projected. As a result, the City is anticipating a \$6 million annual General Fund budget gap over the next several years.

B. Over the past four years, the City Council and staff have driven down costs in order to balance the budget without increasing taxes. The City has already cut \$24 million from the General Fund budget (about 20%) over the past four years; eliminated more than 100 full-time positions; and maintained reasonable reserves to address unexpected impacts.

C. Cutting an additional \$6 million from the budget, on top of the \$24 million that has already been cut, will require reducing or eliminating important city services. The city manager will propose approximately \$1 million of additional cost saving reductions in the FY14 Proposed Budget. Due to the impact that an additional \$5 million of reductions would have on the public, the city manager proposed for the first time that additional funds be raised in order to avoid having to make all of those reductions. Unless there is additional revenue for the fiscal year that begins July 1, 2013 (FY14), the city manager's proposed budget will provide for the reduction, elimination or closure of the services and facilities listed below; if there is additional revenue, the proposed FY14 budget will include funding for these services. The dollars associated with each item are the approximate costs in FY14.

Fire Company at Station #2	\$0.7 million	Branch Library at Sheldon	\$0.3 million
Police Investigations	\$0.4	Branch Library at Bethel	\$0.3
2nd Cahoots Van	\$0.3	Downtown Library One Day a Week	\$0.5
Teen Court Program	\$0.1	Sheldon Pool	\$0.4
Human Services Commission		Equity, Human Rights, Neighborhoods	
Discretionary Funding	\$0.5	& Sustainability	\$0.8
Looking Glass - Station 7	\$0.1	Recreation Programs & Services	\$0.3
		Neighborhood Park Restrooms	\$0.1
		Parks Maintenance	\$0.5
	Total	\$5.3 million	

D. The City Council has determined that the voters should be given the choice of providing additional revenue to the city in the form of a monthly city service fee, or alternatively, reducing or eliminating certain city services and facilities. The City Council therefore is referring to the voters the proposed ordinance attached as Exhibit A. If approved by the voters, the city service fee would have the following components:

- Fee set by City Council at time of budget, and can only be adjusted by Council
- Flat fee capped at \$10 per month for residential property and 4-J and Bethel schools, and \$30 per month for other non-residential property
- Any increase in the \$10 and \$30 caps would require voter approval
- Council must provide assistance program for low income individuals
- All dwellings and businesses in Eugene would be subject to the fee
- Funds raised by the fee would be limited to paying for fire and police service, homeless and basic human services and core quality of life services such as libraries, parks and pools
- Annual oversight committee would review expenditures to ensure they were consistent with limitations
- Council would review the fee after five years to determine whether the fee should be revised or terminated

E. The city manager will seek to bill and collect the fee in a cost effective and efficient manner. If the city manager can contract with the Eugene Water & Electric Board to bill and collect the fee, the fee will be included on the bill for sewer services. If the city manager is unable to contract with EWEB, then the city manager will develop another effective and efficient mechanism for the billing and collection of the fee.

NOW, THEREFORE, based upon the above findings,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EUGENE, a Municipal Corporation of the State of Oregon, as follows:

Section 1. Pursuant to the authority of subsection (3) of Section 2.971 of the Eugene Code, 1971, a city election is called for the purpose of referring to the legal electors of the City of Eugene an ordinance authorizing imposition of a city service fee. The proposed ordinance is attached to this Resolution as Exhibit A.

Section 2. The City Council orders this special election be held in the City of Eugene, Oregon, on the 21st of May, 2013, in accordance with the provisions of Chapter 254 of the Oregon Revised Statutes, and the ballots shall be counted and tabulated and the results certified as provided by law.

Section 3. The City Recorder is directed to give not less than ten days' notice of the city election by publication of one notice in the Register Guard, a newspaper published in the City and of general circulation within the City.

Section 4. This Resolution shall become effective immediately upon its adoption.

The foregoing Resolution adopted the 13th day of February, 2013.

Beth Louest

City Recorder

ORDINANCE NO. _____

AN ORDINANCE CONCERNING A CITY SERVICE FEE.

THE CITY OF EUGENE DOES ORDAIN AS FOLLOWS:

Section 1. Sections 2.2000 through 2.2025 of the Eugene Code, 1971, are added to provide as follows:

CITY SERVICE FEE

2.2000 **City Service Fee – Purpose.** The purpose of the city service fee is to provide funding to maintain fire and police service, homeless and basic human services, and core quality of life services such as libraries and swimming pools.

2.2005 **City Service Fee – Definitions.** For the purpose of sections 2.2000 through 2.2025 of this code, the following words and phrases shall have the following meanings:

Developed property. A parcel or portion of a parcel on which an improvement exists. Improvements include but are not limited to buildings and other structures, parking lots, utilities infrastructure and outside storage.

Non-Residential unit. Developed property not used for personal, domestic accommodation in independent living facilities. A non-residential unit includes, but is not limited to, not-for-profits, businesses, and other commercial and industrial enterprises. Each portion of non-residential property that has permanent provisions for distinct and defined access to an individual enterprise shall be considered as a separate non-residential unit.

Residential unit. Developed property with one or more rooms in a building or portion thereof designed for or that provides complete independent living facilities for one or more persons and includes permanent provisions for sleeping, cooking and sanitation. An accessory or ancillary residential unit on developed property shall be considered a separate residential unit. On developed property with two or more apartments, condominiums, mobile homes, or other residential units, each residential unit shall be considered as a separate residential unit for purposes of calculating the city service fee. Portions of developed property primarily used for transient lodging such as a hotel or motel shall not be considered a residential unit.

Responsible party. The person normally responsible for paying stormwater sewer service charges under sections 6.401 – 6.645 of this code. If there is no stormwater sewer account then the responsible party shall be the person or persons possessing the right to occupy the property.

2.2010 **City Service Fee – Establishment and Use of Fee.**

(1) A city service fee is established and imposed on the responsible party for all developed property located partially or wholly inside the Eugene city limits.

- (2) All revenues from the city service fee shall be deposited in a separate fund. Use of the revenues shall be limited to (a) paying for fire and police service, homeless and human services, and quality of life services such as libraries and pools, (b) establishing reserves for these purposes, and (c) the billing, collection and administration of the city service fee. The city council also may designate a portion of the revenues to provide financial assistance to low income individuals under subsection (4) of section 2.2015 of this code. The city service fee shall not be used to pay for any other function of the city.
- (3) The city manager may adopt administrative rules that the manager determines are necessary to implement sections 2.2000 through 2.2025 of this code by following the process contained in section 2.019 of this code.

2.2015 City Service Fee – Amount of Fee.

- (1) The city council shall set the amount of any city service fee by council resolution, and may establish different amounts for residential units, commercial units and industrial units. Any adjustment to the amount of a city service fee shall be adopted by council by resolution.
- (2) Any fee shall be a flat fee that is charged on a monthly basis. The total amount of fees paid by a responsible party shall be based on the applicable monthly fee applied to the number of residential units and non-residential units attributable to that responsible party.
- (3) The monthly fee shall not exceed \$10 per residential unit or school owned or operated by the 4-J or Bethel school districts and \$30 per non-residential unit other than those schools. These maximums shall not be increased without approval by the voters.
- (4) The city council shall establish by resolution a program that (a) partially or wholly waives the city service fee for low income individuals, (b) provides financial assistance to such individuals to partially or wholly offset the fee paid by those individuals, or (c) helps in some other manner to reduce the financial burden of an additional fee on those individuals. The resolution shall be adopted prior to the time that the fee is first billed.

2.2020 City Service Fee – Billing and Payment of Fee.

- (1) The city service fee shall be billed and paid on a monthly basis.
- (2) If a responsible party does not pay the bill when due, the total amount due shall bear interest at the rate established in section 2.022 of this code from the date of the delinquency.
- (3) The city manager shall seek to bill and collect the city service fee in the most effective and efficient manner. Pursuant to section 6.421 of this code, the Eugene Water & Electric Board bills and collects the monthly sewer charges for both wastewater service and stormwater service. If the city manager can contract with EWEB to also bill and collect the city service fee, then EWEB shall bill and collect the city service fee as part of the same bill for sewer service, and may withhold from payments received a reasonable fee for its actual costs of billing, collecting and remitting the city service fee revenue. The amount of the fee withheld shall be established as part of a contract between the city and EWEB.
- (4) If the city manager is unable to contract with EWEB to collect this fee, then the city manager shall find the most effective and efficient mechanism for billing and collecting the city service fee. If the city manager determines that the most effective and efficient mechanism is to combine the billing and collection

of the city service fee with the billing and collection of the sewer charges, then notwithstanding section 6.421 of this code, the city manager may bill and collect the sewer charges instead of EWEB.

- (5) If the city manager contracts with EWEB under subsection (3) of this section to bill and collect the city service fee, then EWEB shall possess the same authority to enforce the collection of this fee that EWEB possesses under section 6.426 of this code related to collection of sewer service charges.
- (6) If the city manager implements a billing and collection system under subsection (4) of this section, and a responsible party is delinquent in the payment of the city service fee, the city manager may take any and all lawful steps to collect the delinquent amounts, including but not limited to disconnecting sewer service and instituting judicial proceedings to collect the amounts owing.

2.2025 City Service Fee – Review.

- (1) Each year after the city service fee is implemented, the city manager shall convene a committee to review whether the revenues generated by this fee were spent in accordance with subsection (2) of section 2.2010 of this code. The city manager shall present to the city council the report of the review committee.
- (2) Five years after the effective date of the fee, the city council shall conduct a review of city service fee to determine whether the fee should be revised or terminated.

Section 2. The City Recorder, at the request of, or with the consent of the City Attorney, is authorized to administratively correct any reference errors contained herein, or in other provisions of the Eugene Code, 1971, to the provisions added, amended or repealed herein.

Section 3. This Ordinance shall take effect only if approved by the voters at the May 21, 2013 election. In such an event, the Ordinance shall be effective upon the Mayor's proclamation under section 2.986 of the Eugene Code, 1971 that the Measure passed.