CITY OF SPRINGFIELD
BUDGET COMMITTEE MEETING
Tuesday, May 8, 2012, 5:30 p.m.
Library Meeting Room, Springfield City Hall
225 Fifth Street
Springfield, Oregon

AGENDA

A.)	**COMMITTEE OPENING REMARKS**		5 minutes
	1. Comments from the Chair	Chair Terry Buck	
	2. Roll Call	Staff	
B.)	**OLD BUSINESS**	Chair Terry Buck	5 minutes
C.)	**BUSINESS FROM THE AUDIENCE**		
	1. Springfield Museum	Debbie Gruell	3 minutes
	2. Additional Business from the Audience		10 minutes
D.)	**NEW BUSINESS**		
	Department presentations		
	1. Fire & Life Safety	Chief Groves	45 minutes
	2. Development & Public Works	Len Goodwin	60 minutes

BREAK

E.)	**NEW BUSINESS (CON'T)**	
	Financial Review	
	3. Committee Questions from Department Presentations	Chair Terry Buck
	4. Funds Health and Sustainability of Current Decisions	Bob Duey
	5. Errata Summary	Bob Duey
	Conclusion	
	6. Motions and Deliberation Process	Bob Duey
	7. Budget Committee Discussion and Deliberations	Chair Terry Buck
	8. Budget Committee Approval of Budget	Chair Terry Buck
	D&PW 30 minutes	

F.) ADJOURN

Citizens' comments are normally scheduled under the agenda item "Business from the Audience" and are limited to three (3) minutes each. All subsequent meetings will have time scheduled for citizen input and anyone wishing to make a longer presentation should contact the City Manager's Office at 726-3700, so that the presentation can be included separately on the agenda.

ATTACHMENTS

1) May 1, 2012 Agenda Memo
2) Beginning Cash Balances by Operating Funds
3) Purchase Card Program Chart
4) D&PW Issue Paper Building Preservation Funding
5) D&PW Issue Paper Sensor Data
6) D&PW Issue Paper Topo Remapping
7) 2012-2013 Erratum Worksheet
8) Committee Motions Required
9) LRPA Response

To: Member of the Springfield Budget Committee

From: Bob Due, Finance Director

Date: May 3, 2012

Subject: Third Budget Meeting Scheduled May 8th, 2012

The agenda for the third meeting is being structured as if it will be the final meeting for the 2012-2013 Proposed Budget. We will begin the evening with the final two department presentations: Fire & Life Safety and Development & Public Works. The remainder of the evening is for the Budget Committee deliberation process. During this last phase the committee deliberates and approves the budget which is then sent to the City Council. The City Council is charged with holding a public hearing prior to final adoption. There is ample time between now and the scheduled June 18th public hearing that if the Committee elects to carry-over any decisions to a forth meeting it would not cause any disruption in the schedule for the final adoption. A tentative date of Thursday, May 17th at 5:30 pm has been selected.

This week's packet contains several different types of information for you to consider. Staff has attempted to respond to any remaining questions that Committee members have previously asked that required research by staff prior to responding. And, to assist in the discussion by the Committee, staff has prepared a summary chart (Attachment #7) that identifies likely points of deliberations. This form is organized in the following manner:

1. Outside Agency Requests for Additional Funding
   a. LRAPA has made request of Springfield, as a partner agency, to receive all or part of the requested dues that were paid as recent as FY11. Along with the option of taking no action, staff has provided 3 options that could be considered in responding to LRAPA's request.

2. Service Topics Requested by Budget Committee
   a. The City's proposed budget included a recommended 10% or $12,839 reduction in the contribution to the Lane Human Services Commission. Interest was expressed at the May 01 meeting of the Budget Committee in restoring this funding to the FY13 approved budget.
   b. The City's proposed budget included a recommended 10% or $5,000 reduction in the contribution to the Metro Partnership. Interest was expressed at the May 01 meeting of the Budget Committee in restoring this funding to the FY13 approved budget. Options are provided on the erratum sheet.

Attachment #8 in the Budget packet is actual motions that would need to be passed that approves the budget and forwards it on the City Council. The first motion starts with the budget as proposed by the City Manager and allows the Committee to articulate every change they would like make in the proposed budget to reach the final recommendation. The following chart summaries that proposed budget. For review, this information starts of Page 13 of your FY13 Proposed Budget Document and continues through page 21.

OPERATING BUDGETS	FTE	Operating	%
City Manager's Office	7.00	1,466,998	1.8%
Finance	9.50	1,126,549	1.4%
Fire & Life Safety	101.00	17,820,448	21.5%

Human Resources	6.00	1,214,915	1.5%
Information Technology	10.00	1,535,217	1.9%
Legal & Judicial Services	8.84	1,821,588	2.2%
Library	12.60	1,488,108	1.8%
Police	123.00	18,951,023	22.9%
Development & Public Works	130.55	37,421,134	45.2%
Total	**408.49**	**82,845,980**	100.0%
CAPITAL PROJECTS	0.00	**43,873,905**	
NON-DEPARTMENTAL			
Contingency	0.00	600,000	
Debt Activities	0.00	16,393,046	
Interfund Transfers	0.00	27,179,666	
Reserves	0.00	116,340,129	
Statutory Payments	0.00	15,894,120	
Unappropriated Balances	0.00	475,642	
Total	0.00	**176,882,603**	
TOTAL PROPOSED BUDGET	**408.49**	**303,602,488**	

The second, third and fourth motions, described in Attachment 8, will not be changed through deliberations as they are authorizing the County, on behalf of the City, to levy each of the City's operating levies to the fullest amount. The fifth and final motion may vary slightly from one year to the next but will not change this year as a result of the deliberations. This is the amount determined necessary to levy outside of the Measure 5 $10 cap for the payment of all bonded debt next year on the City's outstanding general obligation bonds.

Fund Level Discussion

Attachment 2 has been included with this packet to provide Committee members with additional background on determining the overall long-term financial strength for some of the City's various operating funds. This information does not address types of services or the service levels being provided but rather just the financial trending of each reserve. This information would be most useful not determining what services or changes may be desired in the budget but possibly the question of the response or ability to respond within a particular program or service to the current economic situation.

The requirement that local government utilize Fund Accounting for it accounting structure requires that municipalities consider both an overall level of service and funding priorities for the City as well as managing resources at the fund level to ensure our ability to offer financially responsible and stable government services. Each fund, whether it's the General, Street or Ambulance needs to have established benchmarks or norms that it can be tested against to determine the financial health or sustainability of services.

For all of its major operating funds the City maintains and updates 3 to5 year financial trend analysis that can identify potential resource issues in the near future and for some of the more major funds

projecting service needing changes due to population growth, community priorities or staff 's professional assessment. The City's Capital Improvement Program is updated and approved by City Council every year with a new 5-year view of needed capital projects.

The budget as proposed by the City Manager for FY13, as a response to the current economy, strives to maintain stability in the City's financial position. The efforts made to increase or add to revenue, eliminate the funding for 19 positions, reducing resources for materials & services and the use of some operating reserve resources all contribute to an effort towards maintaining a positive financial outlook. But with the economic recovery still around the corner and with the City now entering its fourth year of seeing revenues greatly underperform past expectations, the ability of the individual funds to meet the norms or benchmarks that address an ability to sustain service levels is becoming stretched.

The ability to maintain appropriate level of financial reserves is a measurement of financial stability. Oregon budget law requires each fund to recognize all cash on hand on July 1 in each year as a specific revenue resource regardless of whether these funds are dedicated or reserved for a specific purpose and therefore considered not available for general operating purposes. The result of this is that along with identifying specific budget line items for operating expenses, the adopted budget for each fund should also provide budget authority for any resources that the City has identified to remain unexpended on June 30 at the close of the fiscal year to meet those reserve requirements. There are several reasons for carrying cash reserve balances at the end of each year. Some of the most common ones are:

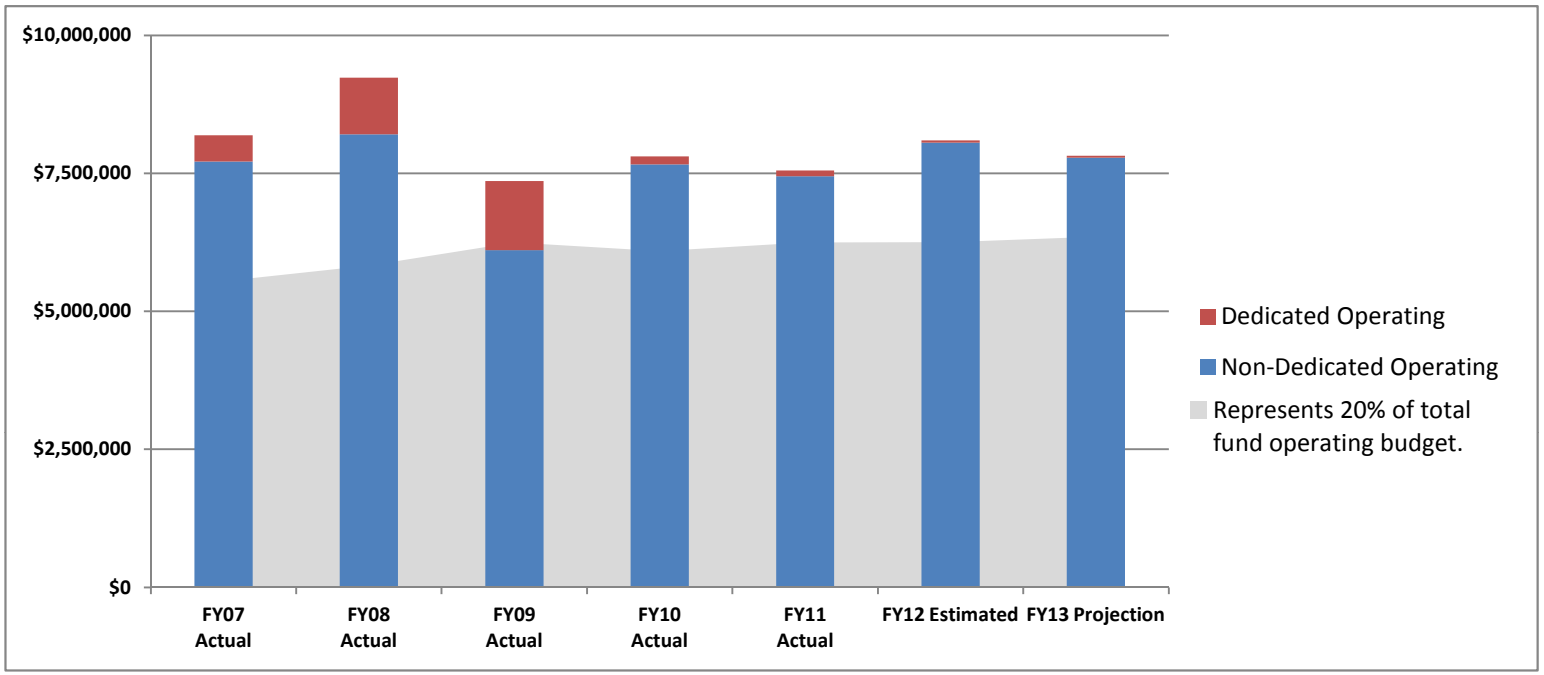
- Operating Contingency - the ability to address unforeseen items at the time of the budget adoption that may require a timely response. No set amount is recommended although 10% is often used as a default. Each fund has its own set of issues around volatility as far as establishing an acceptable level.
- Cash on Hand for Cash Flow Purposes – Payments for routine monthly operating expenses, including payroll expenses, often times do not match in amounts with the seasonal fluctuations in the receipt of revenue. In these cases, the city must have cash reserves equal to the subsidy that can be used to stay current with expenses until such time revenue is received. The bulk of property taxes not being received until mid-November is the best example.
- Fund or Rate Stability Reserves - Rate stability reserves address the ability of the City to consider raising rates higher than may be necessary in a single year to avoid coming back every year with a series of smaller raises. The additional revenue may be held or booked into reserve account to offset additional rate increase in the future. Fund stability reserve may also be utilized to help offset the cost of a future large project or as a response to future growth needs.

Again thank you for your time and effort in the City's budget process this year and staff is longer forward to your discussion and decisions at this final meeting. As always, if you have questions prior to Tuesday evening, please call myself at 726.3740 or Paula Davis at 726.3698

City of Springfield

Beginning Cash Balances

General Fund	FY07 Actual	FY08 Actual	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Estimated	FY13 Projection
Non-Dedicated Operating	7,714,770	8,208,051	6,109,216	7,663,671	7,446,191	8,055,801	7,781,935
Dedicated Operating	474,888	1,023,887	1,252,030	145,001	104,945	39,224	39,224
Operating Capital	-	-	-	-	-	-	-
Non-Operating Capital	-	-	-	-	-	-	-
Dedicated Debt Service	-	-	-	-	-	-	-
Ending Cash Balance	**$ 8,189,658**	**$ 9,231,938**	**$ 7,361,246**	**$ 7,808,672**	**$ 7,551,136**	**$ 8,095,025**	**$ 7,821,159**



General Fund Financial Forecast	FY 10 Actuals	FY 11 Actuals	FY 12 Estimated	FY 13 Proposed	FY 14 Trended	FY 15 Trended
Total Revenue Less Beginning Cash	$ 30,955,030	$ 30,704,951	$ 32,630,486	$ 32,570,501	$ 32,995,297	$ 33,960,182
Operating Expenditures	(29,608,744)	(30,132,328)	(31,015,399)	(31,781,062)	(33,735,670)	(34,959,768)
Less Operating Transfers to:						
Jail Operating Fund	(397,121)	(473,121)	(443,324)	(448,309)	(470,724)	(494,261)
Ambulance Fund	(182,883)		0	0	0	0
Street Fund	0	(35,065)	(357,000)	(378,000)	(378,000)	(378,000)
Operating Budget Over (Under)	$ 766,282	$ 64,437	$ 814,763	$ (36,870)	$ (1,589,097)	$ (1,871,847)
Beginning Cash	7,361,246	7,808,672	7,551,136	8,095,025	7,828,987	6,009,175
Adjustment to Beginning Cash						
Special Project Transfers	(86,168)	(86,578)	(38,499)	0	0	0
Station #16 Debt Service	(232,688)	(235,215)	(232,375)	(229,168)	(230,715)	(226,895)
Ending Cash on Hand (1)	$ 7,808,672	$ 7,551,316	$ 8,095,025	$ 7,828,987	$ 6,009,175	$ 3,910,433

(1) The Ending Cash Balance in the General Fund serves three distinct purposes with each having its own criteria for an appropriate amount of resources necessary fill that need. Each of the three can be considered either a separate and unique resource to be held in reserve for that sole purpose or it is possible sometimes to overlap the resources requirement in order to have common dollars help fulfill the requirements of more than one financial policy. The City of Springfield has traditionally met each of the three needs by overlapping the requirements and except in the case of extreme distress, would meet the needs of each of the purposes.

a. The Ending Cash on Hand, of each accounting fund and not just the General Fund, fulfills a need for providing working capital to allow an agency to operate on seasonal revenues without needing to borrow resources form outside sources. In the case of the General Fund, approximately 50% of the funds revenue is in the form of property taxes which is not collected and distributed by the County until late November of each year. During the July -November time period the General Fund is expending $1.4M to $1.7M more than other revenues are able to provide in working capital. The cash flow needs of the General Fund each and every year to avoid borrowing between $7M and $8M.

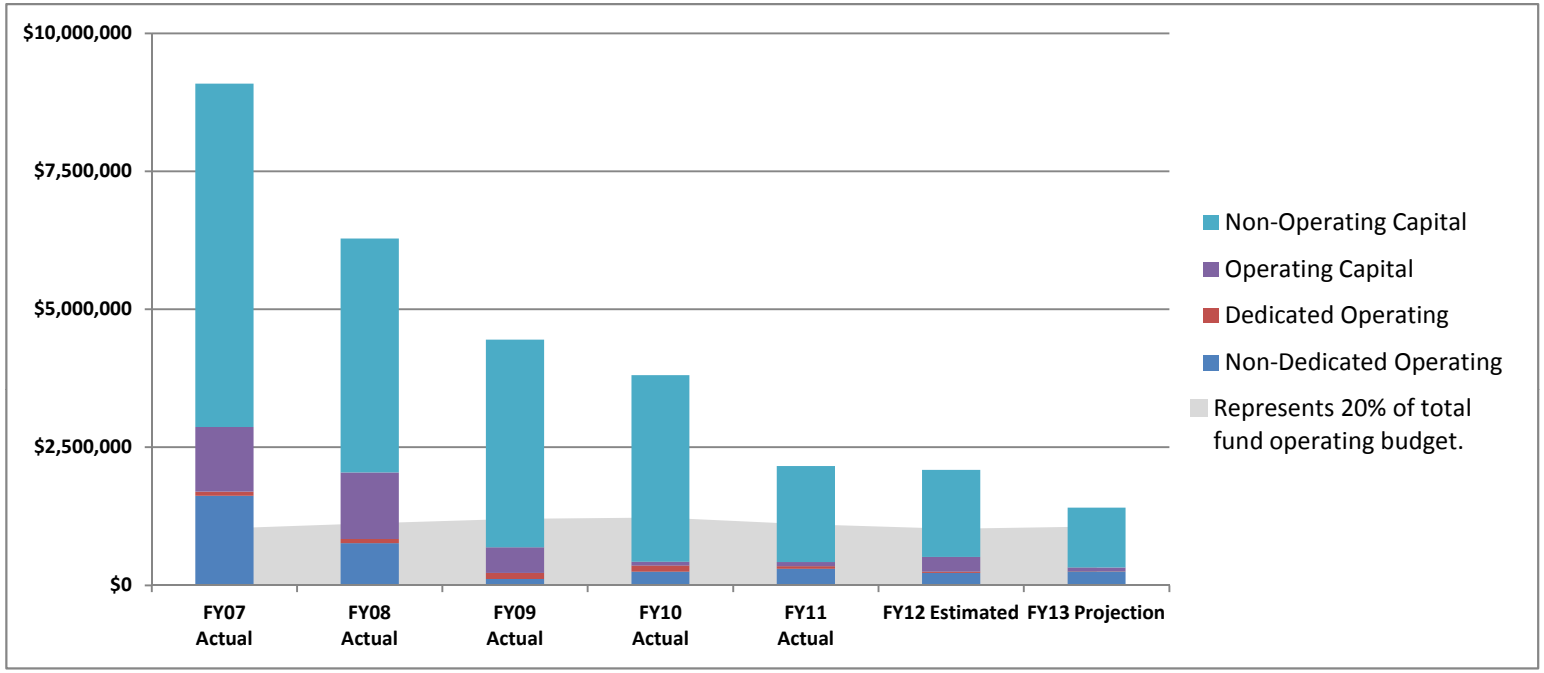
b. Every accounting fund is expected to have its own contingency reserve that would be available during a budge year to address emergency issues that were unforeseen at the time the budget was adopted. There is not a exact rule of prudence which says what an appropriate size is for a contingency. It would vary from fund to fund depending upon the volatility of the funds revenues or service costs. In the case of the City's general fund, the Budget Committee has established a figure of $600,000.

c. It is common practice for municipalities to carry reserves in some funds for no other purpose than to recognize that not all years are equal when it comes to projecting costs or revenues. In some years activities may be cyclical and revenues fall below or rise above levels expected. Special projects may come along or in some cases funds may be set aside for several years in order to accumulate resources enough to make a special acquisition. In any of these cases, the setting aside of resources that are in an amount greater than the need for working capital or contingency funding is perfectly acceptable.

City of Springfield

Beginning Cash Balances

Street Operating, Capital & SDC Funds	FY07 Actual	FY08 Actual	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Estimated	FY13 Projection
Non-Dedicated Operating	1,621,140	765,247	116,264	247,945	297,306	224,882	252,773
Dedicated Operating	77,206	73,323	109,035	111,556	50,519	24,359	4,924
Operating Capital	1,169,939	1,208,979	460,589	68,326	71,155	265,655	66,055
Non-Operating Capital	6,220,634	4,236,774	3,763,831	3,380,615	1,744,248	1,577,740	1,081,211
Dedicated Debt Service	-	-	-	-	-	-	-
Ending Cash Balance	**$ 9,088,919**	**$ 6,284,323**	**$ 4,449,719**	**$ 3,808,442**	**$ 2,163,228**	**$ 2,092,636**	**$ 1,404,963**

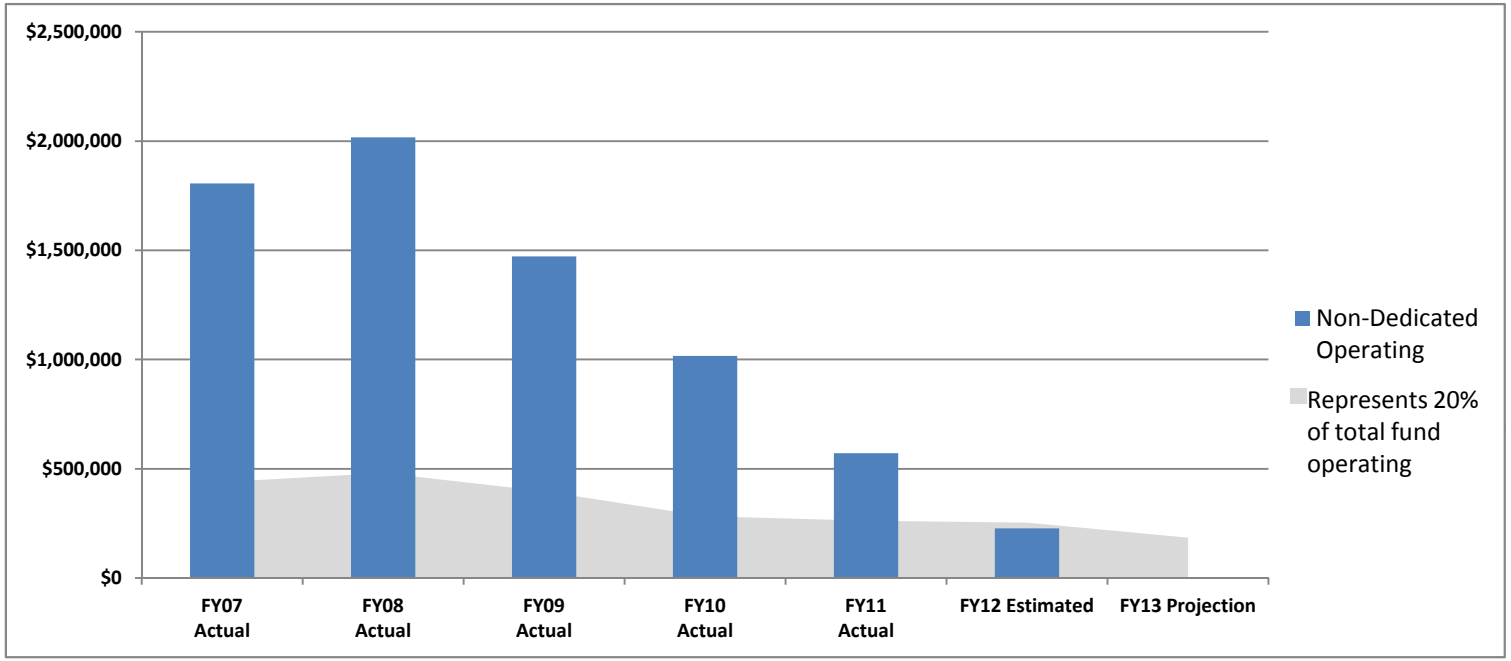


Notes: The Street Fund is classified as a special revenue fund, meaning that its resources are dedicated for a specific purpose or service. In this case much of the restriction for the use of resources are regulated by State of Oregon and the use of funds from the fuel use tax. Resources identified as dedicated and non-dedicated operating are primarily fuel use tax funds and are relied upon for both operations and infrastructure maintenance capital. FY09 was the last year where resources were adequaqte. Without resources to adequately fund either a contingency or to conbtribute funds toward a positive monthly cash flow for paying ongoing expenses, this fund will need to rely upon the City's General Fund for treasury services until such time building activity increases to the point of re-establishing this service to a financially stable position.

City of Springfield

Beginning Cash Balances

Building Fund	FY07 Actual	FY08 Actual	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Estimated	FY13 Projection
Non-Dedicated Operating	1,806,040	2,017,685	1,471,972	1,016,241	572,216	226,607	-
Dedicated Operating	-	-	-	-	-	-	-
Operating Capital	-	-	-	-	-	-	-
Non-Operating Capital	-	-	-	-	-	-	-
Dedicated Debt Service	-	-	-	-	-	-	-
Ending Cash Balance	**$ 1,806,040**	**$ 2,017,685**	**$ 1,471,972**	**$ 1,016,241**	**$ 572,216**	**$ 226,607**	**$ -**

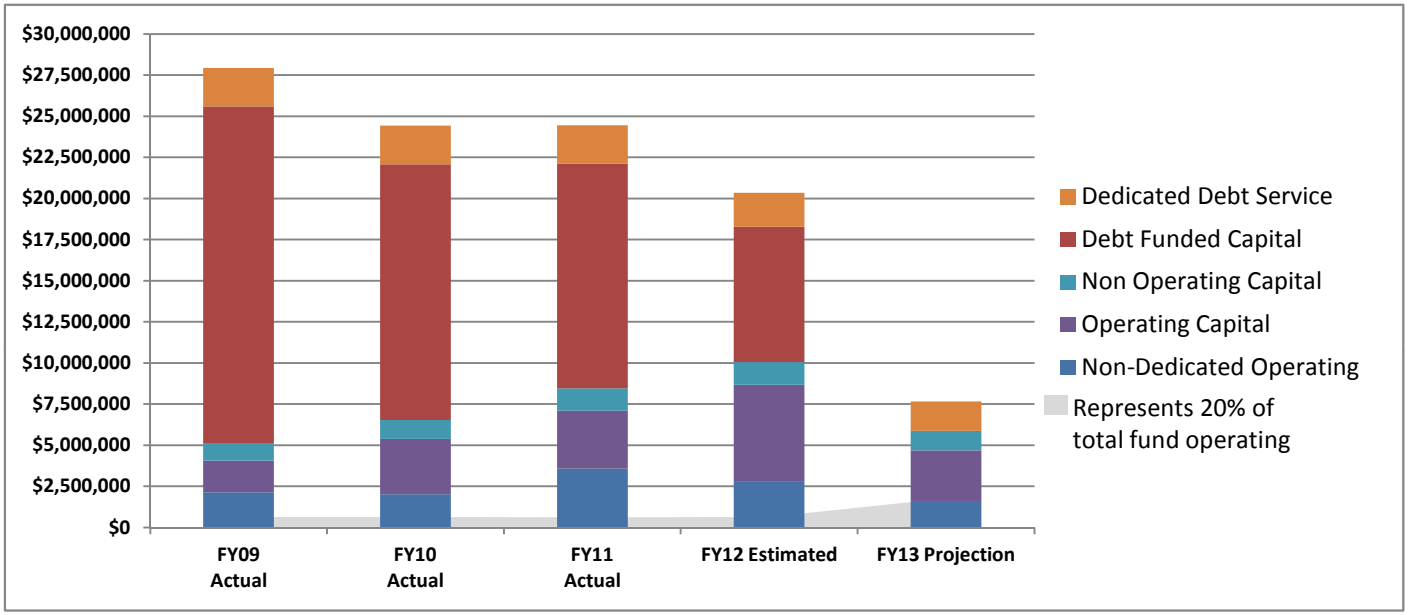


Notes: The Building Fund is classified as a special revenue fund, meaning that its resources are dedicated for a specific purpose or service. In this case much of the restriction for the use of resources are regulatead by State of Oregon in the enforcement of the building code. In the early years of the graph, building activity was high and the economies of an efficient staff allowed a surplus of funds to be saved. Building activity has been very low and in addtion to making major reductions in staffing for this service, the fund has exhasuted all remaining cash balances. Without resources to adequately fund either a contingency or to conbtribute funds toward a positive monthly cash flow for paying ongoing expenses, this fund will need to rely upon the City's General Fund for treasury services until such time building activity increases to the point of re-establishing this service to a financially stable position.

City of Springfield

Beginning Cash Balances

Sewer Funds	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Estimated	FY13 Projection
Non-Dedicated Operating	2,130,777	2,027,590	3,581,989	2,808,863	1,619,292
Dedicated Operating	-	-	-	-	-
Operating Capital	1,933,118	3,356,545	3,517,958	5,867,958	3,063,519
Non Operating Capital	1,062,098	1,151,530	1,350,315	1,375,319	1,195,793
Debt Funded Capital	20,468,961	15,549,066	13,654,863	8,224,863	-
Dedicated Debt Service	2,336,897	2,336,897	2,336,897	2,075,428	1,786,749
Ending Cash Balance	**$ 27,931,851**	**$ 24,421,628**	**$ 24,442,022**	**$ 20,352,431**	**$ 7,665,353**

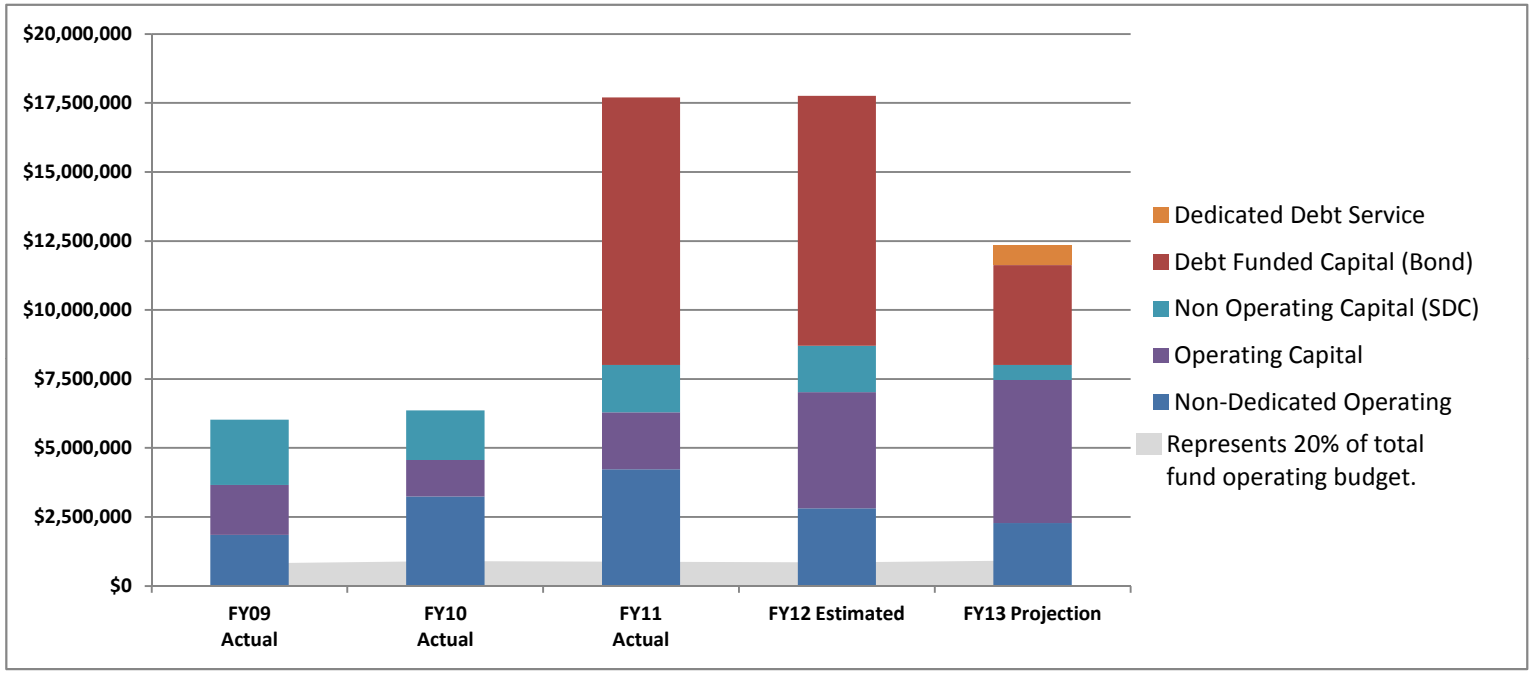


Notes: Classified as an enterprise fund, the Sanitary Sewer Fund is expected to meet all or it's obligations, short term and long term, through its abiltiy to levy its own fees and charges. In this case, as the different types of reserves indicate, resources available are utlized for operations, capital projects and debt service. The amount of non-dedicated operating reserve has always be adequate to support this fund. The more recently created dedicated debt serivce reserve is now mandated by the debt covenants the City has agreed to from selling revenue bonds. The more discretionary operating capital reserve is result of the adoption of the City's 5-year capital improvment program and the resources necessary to support the needs and approved projects authorized by the City Council.

City of Springfield

Beginning Cash Balances

Storm Funds	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Estimated	FY13 Projection
Non-Dedicated Operating	1,854,210	3,239,103	4,230,179	2,811,037	2,280,185
Dedicated Operating	-	-	-	-	-
Operating Capital	1,809,122	1,326,677	2,059,681	4,215,681	5,185,681
Non Operating Capital (SDC)	2,367,097	1,791,793	1,723,894	1,678,714	540,889
Debt Funded Capital (Bond)	-	-	9,687,246	9,053,746	3,622,545
Dedicated Debt Service	-	-	-	-	708,050
Ending Cash Balance	**$ 6,030,429**	**$ 6,357,573**	**$ 17,701,000**	**$ 17,759,178**	**$ 12,337,350**

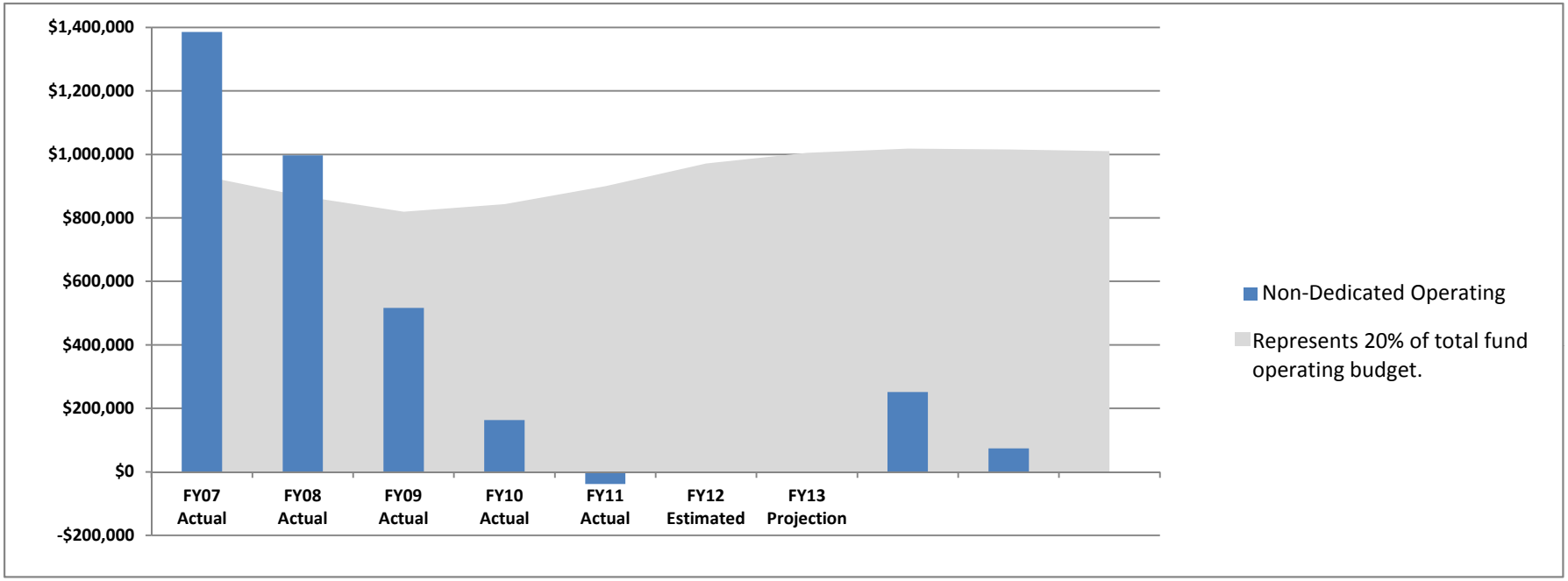


Notes: Classified as an enterprise fund, the Storm Water Fund is expected to meet all or it's obligations, short term and long term, through its abiltiy to levy its own fees and charges. In this case, as the different types of reserves indicate, resources available are utlized for operations, capital projects and debt service. The amount of non-dedicated operating reserve has always be adequate to support this fund. The more recently created dedicated debt serivce reserve is now mandated by the debt covenants the City has agreed to from selling revenue bonds. The more discretionary operating capital reserve is result of the adoption of the City's 5-year capital improvment program and the resources necessary to support the needs and approved projects authorized by the City Council.

City of Springfield

Beginning Cash Balances

Ambulance Fund	FY04 Actual	FY05 Actual	FY06 Actual	FY07 Actual	FY08 Actual	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Estimated	FY13 Projection
	933,044	868,098	819,924	843,637	900,112	971,591	1,004,901	1,018,544	1,015,519	1,010,209
Non-Dedicated Operating	1,385,171	996,629	516,048	163,321	(37,982)	5	-	251,606	73,545	-
Dedicated Operating	-	-	-	-	-	-	-	-	-	-
Operating Capital	-	-	-	-	-	-	-	-	-	-
Non-Operating Capital	-	-	-	-	-	-	-	-	-	-
Dedicated Debt Service	-	-	-	-	-	-	-	-	-	-
Ending Cash Balance	**$ 1,385,171**	**$ 996,629**	**$ 516,048**	**$ 163,321**	**$ (37,982)**	**$ 5**	**$ -**	**$ 251,606**	**$ 73,545**	**$ -**

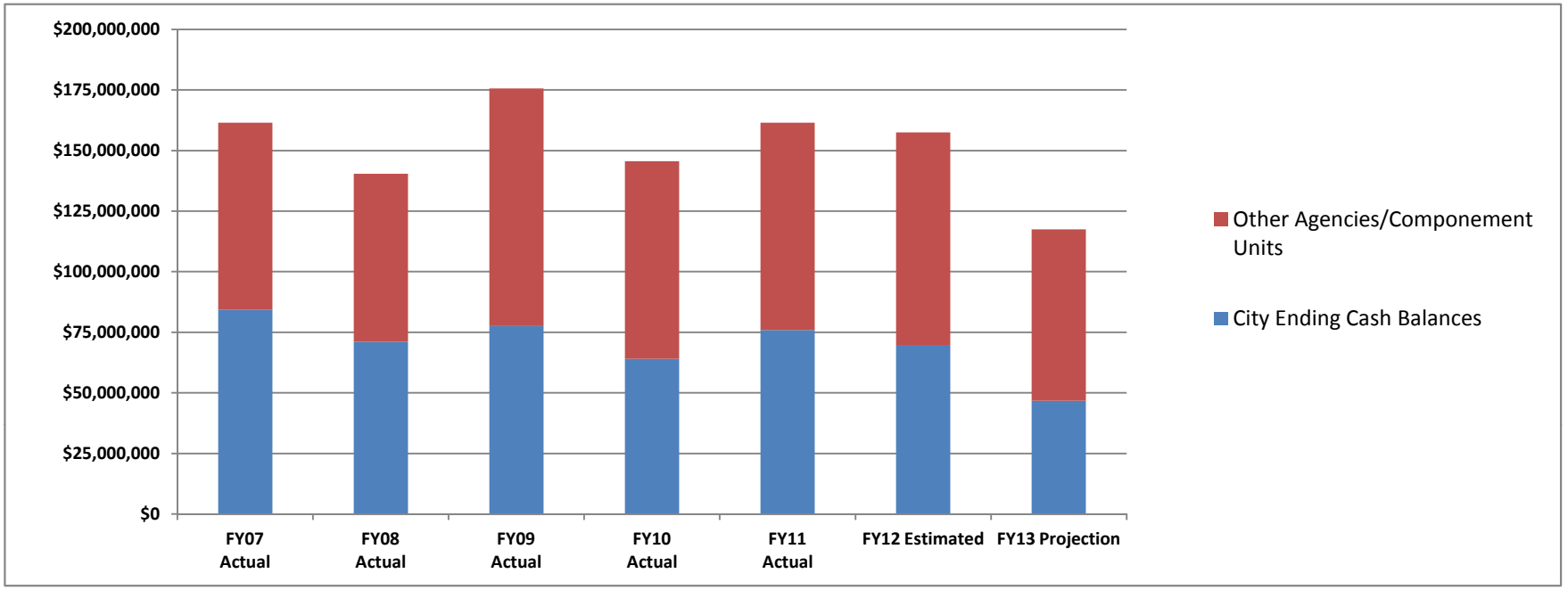


Notes: The Ambulance Fund is classified as an enterprise fund but is administered more as a speical revenue fund. The decision to account for the ambulance service as a special revenue outside of the general fund is a Council decision primarily because of the amount of federal dollars and the extension of the service area far beyond the boundaries of the City. The Ambulance Fund's financial stablity has been in a declining state for close to a decade primarily as a result of the declining payments amounts from the federal government for medicade and medicare patients. Without resources to adequately fund either a contingency or to contribute funds towards a positive cash flow for paying ongoing expenses, this fund will need to rely upon the City's General Fund for treasury services until such time the City is able to determine a more reliable funding base for ambulance services.

City of Springfield

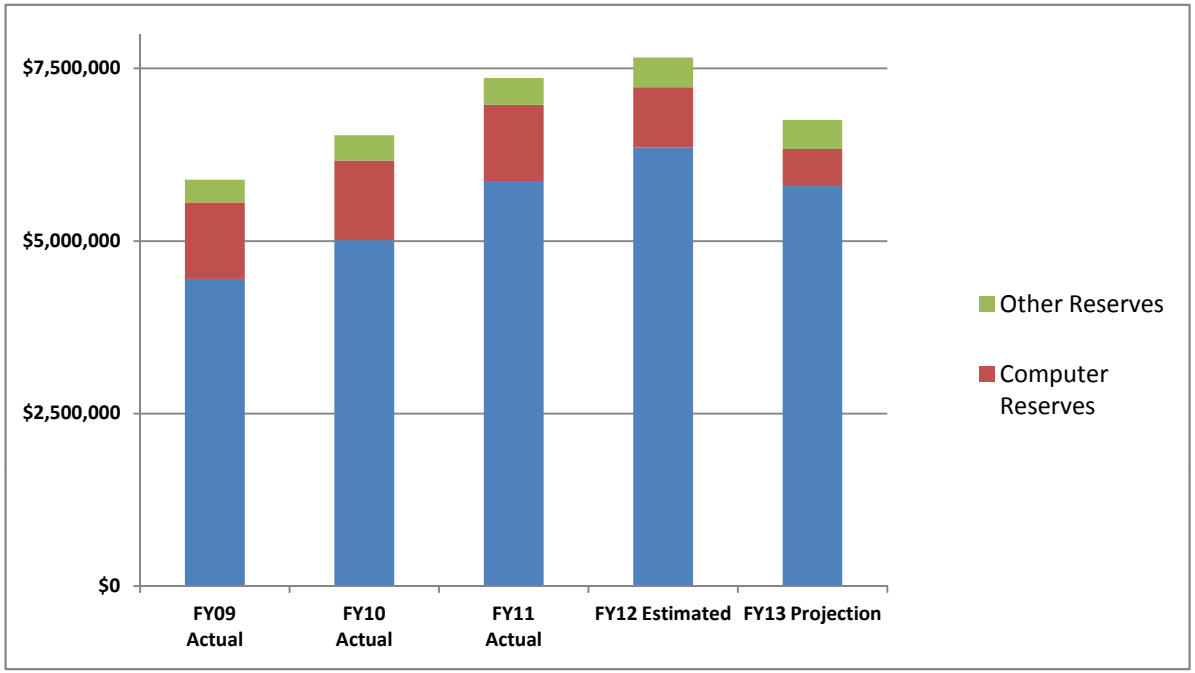
Beginning Cash Balances

	FY07 Actual	FY08 Actual	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Estimated	FY13 Projection
City Ending Cash Balances	84,326,629	71,113,108	77,599,787	64,043,860	75,891,257	69,422,399	46,688,509
Other Agencies/Componement Units	77,145,174	69,271,926	97,949,896	81,569,347	85,638,250	88,068,171	70,775,111
Total Ending Resources	**$ 161,471,803**	**$ 140,385,034**	**$ 175,549,683**	**$ 145,613,207**	**$ 161,529,507**	**$ 157,490,570**	**$ 117,463,620**



Notes: The City Ending Cash balances present the total resources available at the beginning of each year for 15 separate operating funds, 2 debt service funds, 13 capital project funds and 3 internal service funds. These funds provide working capital, contingency funds, resources restricted by federal or state laws or Council action, insurance reserves, capial project reserves and other miscellaneous purposes. The Other Agencies/Component Units represent the Metro Wastewater Management Commission, SEDA, and the Fiber Consortium. Each fund type and individual fund may have its own set of unique circumstances that dictate what an appropriate level of cash reserves should be for its purposes. The following charts show the recent trend for certain primary program areas for the City. For example, the chart for the General Fund is just for the General Fund while the chart for the City's Sanitary Sewer Program combines the Sanitary Sewer Operating Fund, The Sanitary Sewer Capital Projects Fund and 2 Sanitary Sewer System Developments Charges Funds.

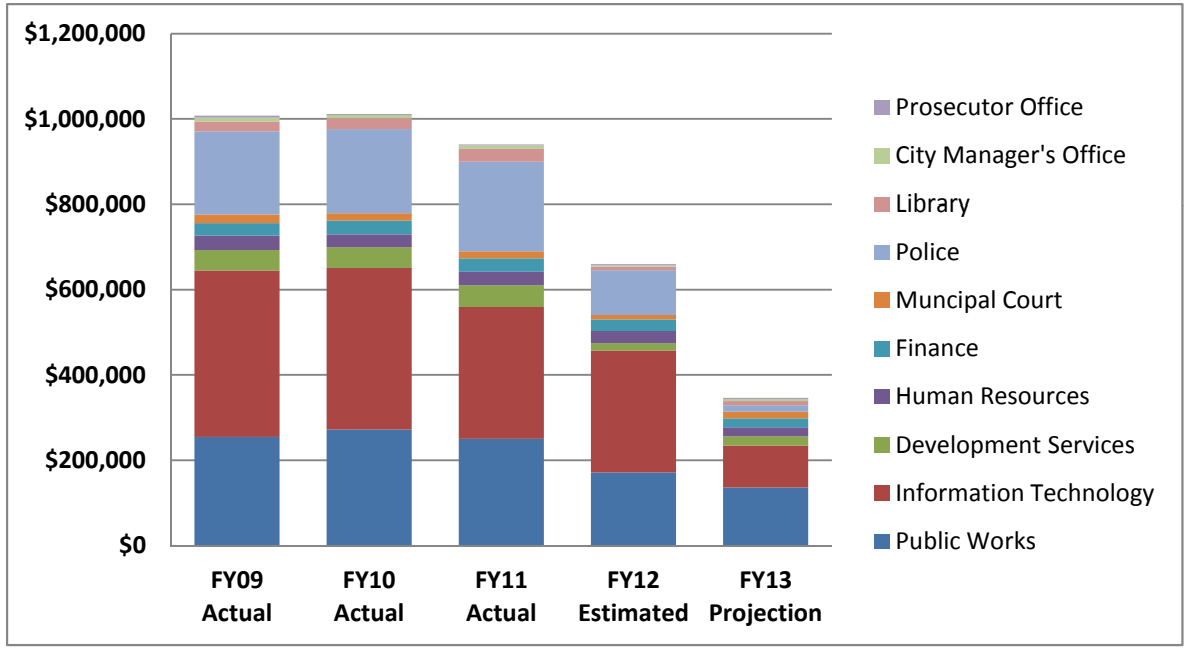
Vehicle & Equipment Fund	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Estimated	FY13 Projection
Vehicle Reserves	4,450,666	5,010,741	5,854,073	6,356,360	5,794,217
Computer Reserves	1,107,367	1,157,101	1,117,762	871,662	537,098
Other Reserves	331,220	363,569	392,215	432,452	422,481
Reserve Balance	**$ 5,889,253**	**$ 6,531,411**	**$ 7,364,050**	**$ 7,660,474**	**$ 6,753,796**



City of Springfield

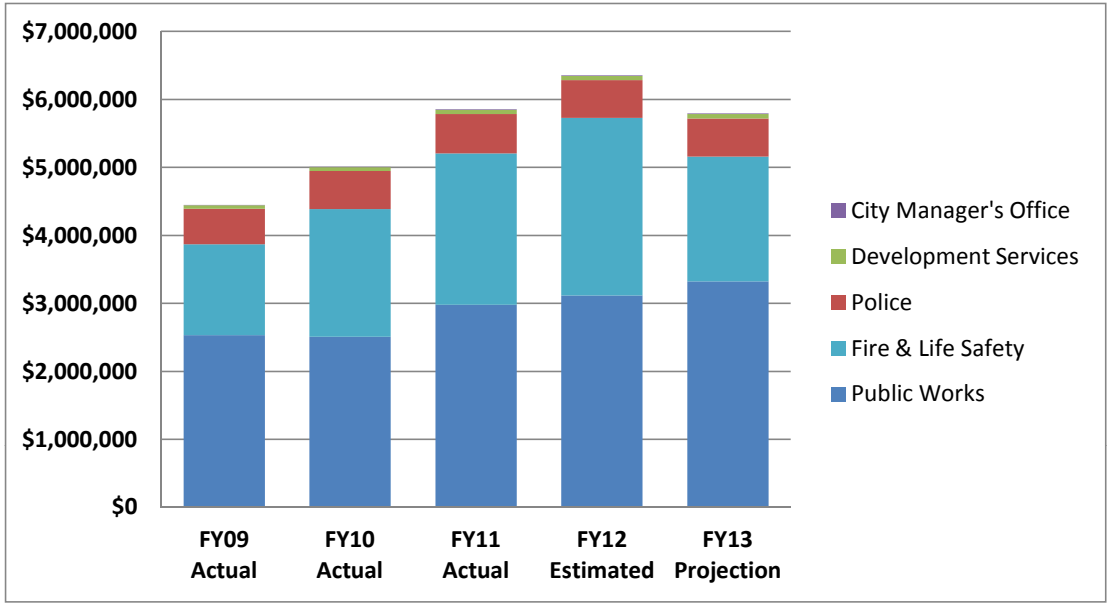
Beginning Cash Balances

Computer Reserves	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Estimated	FY13 Projection
Fire & Life Safety	99,751	145,496	177,989	212,261	190,910
Public Works	254,278	272,145	250,414	171,275	136,201
Information Technology	390,457	378,778	308,854	285,700	97,909
Development Services	47,960	48,278	50,704	17,167	21,897
Human Resources	34,018	30,309	31,571	29,012	21,123
Finance	29,158	31,994	31,429	26,462	20,967
Muncipal Court	20,053	17,152	16,818	10,682	15,765
Police	194,723	197,339	209,605	104,920	14,995
Library	22,691	25,591	30,145	8,360	9,910
City Manager's Office	10,172	7,504	8,014	3,065	4,118
Prosecutor Office	4,106	2,515	2,219	2,758	3,303
Reserve Balance	**$ 1,107,367**	**$ 1,157,101**	**$ 1,117,762**	**$ 871,662**	**$ 537,098**



Notes: Each department is resposnible for establishing adequate reserves for the replacment of its computer hardware that is required for their operation. The exception to this is the Information Technology Department which in addition to their own computer needs is also responsible for many other aspects of the Citys technology requirements. Most departments have been able to maintain a minimum level of reserves requuired to meet these standards although budget cuts over the last 3 years have begun to have an impact on reserves. In addtion three departments, IT, PW and Police and in the middle of major projects that will leave each of these three well below prudent standards. An area of caution for this area is that is most cases the only advanced funding being done is for hardware which leaves software replacement and other city-wide infrastructure technology to be considered funded only on a as-needed basis.

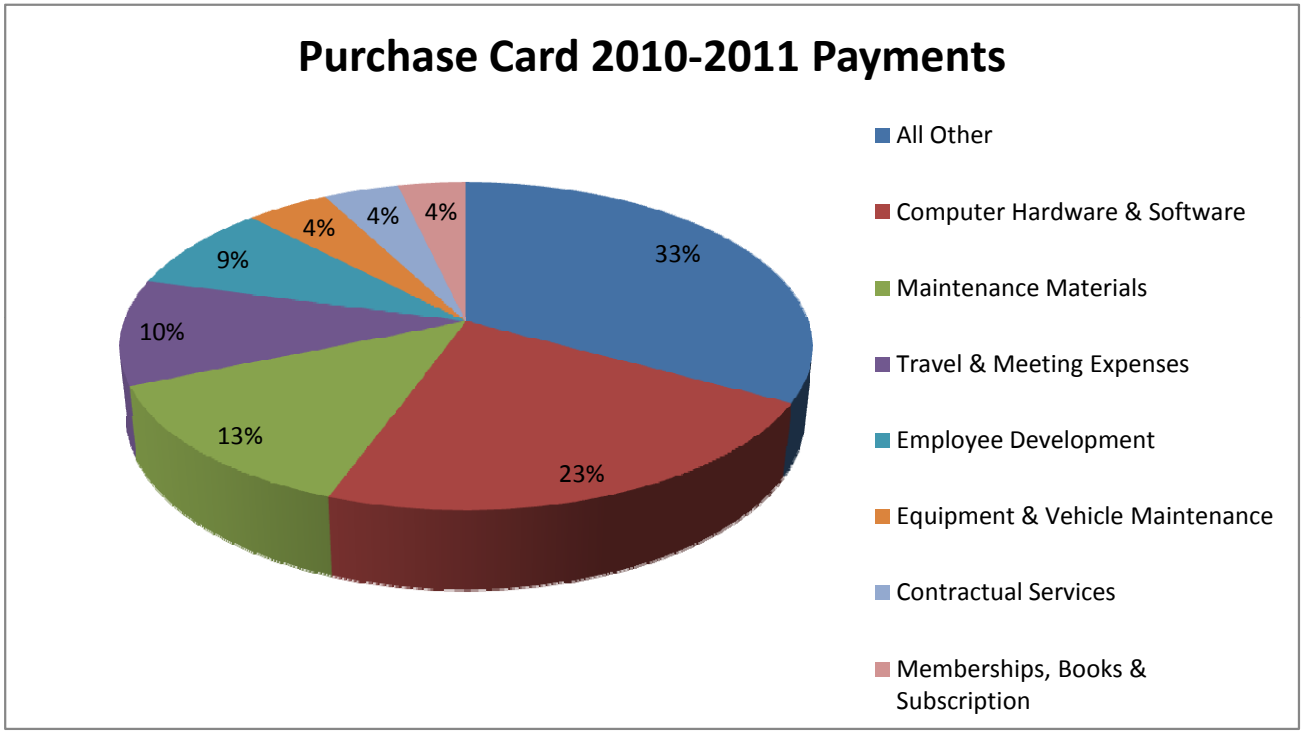
Vehicle Reserves	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Estimated	FY13 Projection
Public Works	2,533,929	2,506,848	2,980,012	3,117,363	3,325,137
Fire & Life Safety	1,335,122	1,881,012	2,228,060	2,611,648	1,835,736
Police	525,038	561,235	579,229	555,554	556,588
Development Services	48,747	53,139	57,478	61,695	65,860
City Manager's Office	7,830	8,507	9,294	10,100	10,896
Reserve Balance	**$ 4,450,666**	**$ 5,010,741**	**$ 5,854,073**	**$ 6,356,360**	**$ 5,794,217**



Notes: Departments are responsible for the replacement of the vehicles that are under their control. Police has all of their police and admin cars and operates a fairly steady rate of replacment from one year to the next. This department is under fully funded at this time but within a reasonabale tolerance. Fire & Life Safety has the fire fleet, the ambulance fleet, rescue equipment and admin vehciles. The purchasing needs are very different from year-to-year and may see very little acquistion in one year and $1M for either a ladder truck or 3 pumpers. F&LS has not been adequately funded for equipment replacement for a number of years and the City has utilzed lease/purchase options for major fire equipment to be able to spread payements out over multiple years. This trend will continue under the current Fire equipment replacement contribution rate. Public Works has not only their fleet of trucks but also all of the other major speciality equipment utilized by the department as well as all of the fleet of pool-use cars used by all other departments on a as needed basis. This deparment is close to fully funded and with a willingness to stretch scheduled replacements out for as long a equipment is deemed suitable for service, is able to financally replacement equipment as needed.

City of Springfield
Purchase Card

	FY10	FY11 Paid		YTD FY12
All Other	227,610	33%	229,210	195,702
Computer Hardware & Software	64,947	23%	158,122	171,059
Maintenance Materials	97,505	13%	92,315	77,663
Travel & Meeting Expenses	73,304	10%	72,530	37,067
Employee Development	54,567	9%	59,727	28,514
Equipment & Vehicle Maintenance	20,819	5%	31,391	54,985
Contractual Services	15,750	4%	28,528	60,076
Memberships, Books & Subscription	26,767	4%	25,565	18,855
	$ 581,271		**$ 697,388**	**$ 643,921**



Notes: The category "All Other" includes but not limited to: office supplies, advertising, small furniture and library books.

SERVICE ENHANCEMENT/REDUCTION ISSUE PAPER **City of Springfield, Oregon**

To: Len Goodwin, Assistant Public Works Director

From: Brian Conlon, Maintenance Manager

Date: February 8, 2012

Title: INCREASE FUNDING FOR BUILDING PRESERVATION MAINTENANCE & SYSTEMS REPLACEMENT

Is this a one-time expenditure enhancement/reduction? Yes ☐ No ☒

Program Category Title: _Facilities & Equipment Preservation and Project Management___

1. Description of Proposal

The Internal Building Preservation Charge is not sufficient to attend to the growing list of backlog building maintenance and preservation projects and build sufficient reserves for major systems replacement (i.e., City Hall HVAC $1.2M; Fire Stations apparatus bays and pavement resurfacing and reconstruction $500K, etc.). Properly maintaining and preserving City facilities was identified as a City Council priority in 2008 while dealing with the renovation, ultimate demolition and replacement of Fire Station #16. Although staff continues to strategically work through reprioritizing facility preservation maintenance projects due to the lack of available budget resources over several budget cycles, the need to increase funding is becoming critical to attend to the growing needs of our aging buildings and facility systems.

2. Options

1.) Status Quo; continue to balance facilities preservation maintenance projects and service levels as we have within the constraints of the last several budget cycles until revenue options improve.

2.) Increase the Internal Building Preservation Charge across all departments to budget for timely project delivery of the 5-Year Facilities Work Plan and begin building major systems replacement reserves.

3.) Fund 1FTE Building Maintenance Worker from multiple funding sources. Currently, a 1FTE Building Maintenance Worker position is funded from the Internal Building Preservation Charge. This was intended to be a temporary solution to avoid requesting an additional General Fund FTE during a period when several staff position layoffs were necessitated throughout the organization as a result of the economic recession. Funding this position from the Internal Building Preservation Charge has continued longer than intended, consequently projects are pushed out until funding becomes available.

3. Discussion/Impacts

The Internal Building Preservation Charge was established in FY2009 to address funding needs identified in the 2007 DLR Building Conditions Report. The purpose of this charge is to provide for programmatic funding for building systems preservation needs for all City-owned buildings. Important to note however, is since this fund was established the

City has added a new Justice Center and Municipal Jail, Carter Building, and Historic Springfield Depot to the inventory of facilities we maintain. Originally Council approved $500K per year to provide annual funding of priority preservation projects (identified in the 5-Year Building and Facilities Work Plan) and begin addressing the building projects backlog referenced in the DLR report. Unfortunately, circumstances in the economy has resulted in tough decisions requiring reductions in the funding for programmed building preservation maintenance projects. Further, we are not able to build reserve funds that can go toward facilities major systems replacement. The consequence of this is that we have not kept pace with the needs of our City's aging facilities and the growing demands created by the addition of new facilities. Additionally, in FY2010 with declining General Fund reserves it was decided to temporarily fund one of the Building Maintenance Worker positions ($80K) out of the Preservation Charge. While this position has been and continues to be extremely important in maintaining our facilities, using Fund 420 to pay the salary greatly reduces the number of projects we can complete.

Option 1- Status Quo; continue to balance facilities maintenance and preservation projects and service levels as we have within the constraints of the last several budget cycles until revenue options improve. This option does not keep pace with the current maintenance needs and growing demands created by the addition of new facilities coupled with that of older facilities, and does not reduce the deferred project backlog. Continue to fund 1FTE Building Maintenance Worker from the Building Preservation Charge. Doing this reduces approximately $80K in planned preservation projects annually.

Option 2 - Increase the Internal Building Preservation Charge across appropriate departments to budget for timely project delivery of the 5-Year Facilities Work Plan and begin building major systems replacement reserves. Generating the needed revenue can be achieved by increasing the Internal Building Preservation Charge to provide for the planned preservation projects, and begin setting funds aside for a major systems replacement reserve. Increasing the Preservation Charge will have an immediate impact on all of the contributing Departments. For example, to generate an additional $100K in Building Preservation funds, the current rate per FTE will have to be increased from the current $590/FTE to an estimated $825/FTE. This option will require Department Directors to make adjustments to their budgets or require them to ask for additional funding to meet their own Departmental needs. Additionally, this funding shift may also put further strain on the new funding source reserves.

Option 3 - Fund 1FTE Building Maintenance Worker from multiple funds. Currently 1FTE Building Maintenance Worker position is funded from the Internal Building Preservation Charge. In August of 2009 Public Works funded 1FTE Building Maintenance Position from the Internal Building Preservation Fund (420) revenue source. This was intended to be a temporary solution but the ongoing economic conditions have necessitated that the position funding remain in Fund 420. Transferring the position funding to multiple funds would free up approximately $80K annually for priority preservation and maintenance projects.

Preferred Option: Public Works awaits CMO direction on this issue.

SERVICE ENHANCEMENT/REDUCTION ISSUE PAPER **City of Springfield, Oregon**

To: Len Goodwin, Assistant Public Works Director

From: Brandt Melick, Technical Services Division Manager

Date: 1/23/12

Title: Remote Sensor Tech Integration

Is this a one-time expenditure enhancement/reduction? Yes ☐ No ☒

Program Category Title: General Mapping, GIS Services, Transportation/Traffic Control, Maintenance Services Support

1. Description of Proposal

Procure hardware and software vendor services to expand the City's capability to collect, process, and integrate remotely-sensed data with other spatial inventories. Examples of such data or sensor inputs include: weather stations, environmental/flow monitoring, video surveillance, vehicle tracking, and detection of interruptions to lighting/electrical systems. Prospective vendors include, but are not limited to, Motorola and Intelesense.

2. Options

1) No action; continue current processes without any new sensor data technology.
2) Provide funding for full Citywide implementation of cellular-based remote sensor technology suite for vehicle tracking and other monitoring systems. Initial installation cost estimated to be $69,000 for FY13, with ongoing subscription costs of approximately $66,000 annually.
3) Provide funding for full Citywide implementation of "Intelemote" hardware-based remote sensor technology suite for vehicle tracking and other monitoring systems. Installation cost estimated to be $136,000 for FY13.
4) Provide funding for pilot project to develop fleet tracking application for a limited number of vehicles, estimated at $15,750; future upgrades may include incremental expansion of monitoring network such as additional vehicles, lighting/signal systems, and/or storm/wastewater systems.

3. Discussion/Impacts

Justification/Option: The City's current sensor data is limited to weather stations that must be checked manually, environmental/flow monitoring units that must be deployed and checked/ collected manually, and regional-scale topographic datasets (LiDAR) that are contracted with partner agencies on an infrequent basis. All of these methods drive up costs in staff time and offer limited responsiveness by requiring activities to be scheduled in advance. Being able to remotely collect environmental data such as flow and temperature, parse and host it on a secure database server, and deliver it back to end-users via Web services or other similar desktop application would greatly increase efficiency by offering much more frequent (if not continuous real-time) measurement intervals, without the need for staff to travel to and from the field.

Other identified priority areas such as fleet vehicle tracking and wire theft prevention currently have no remote monitoring systems in place. The costs and problems associated with wire theft are obviously well-known; however, the potential costs savings and risk mitigation of a comprehensive vehicle tracking system, while perhaps less publicized or conspicuous, are at least as significant if not greater.

Current tracking technology, whether radio/GPS or cellular-based, enables real-time feedback of vehicle locations, along with a suite of possible attributes associated with each vehicle – such as make/model, speed, heading, ignition status, odometer reading, and battery level – as well as warehousing of that data for subsequent retrieval and follow-up analysis. In discussions with Lane County staff during a demonstration of their radio-based fleet tracking application, their Parks Department manager described the impetus for the deployment of their system as being an incident which resulted in a fatality, in which they were unable to determine the locations of (and effectively communicate with) nearby vehicles in a timely fashion. He also assuaged possible concerns from employees who may have felt subjected to unnecessary scrutiny of their driving patterns by relating two examples of public complaints claiming improper behavior of County vehicle drivers, which were disproven by data showing that the vehicles/drivers in question were in fact not at the location/time alleged. Besides determining vehicle locations during an incident situation, other common benefits of typical tracking applications may include shorter response times to service requests by identifying vehicles that may already be in an area, and cost-savings analysis of common route patterns and/or idle times to minimize redundancy and reduce both fuel consumption and greenhouse gas emissions.

Option 2: Based on staff research with Intelesense and discussions with Eugene and Lane County staff, the simplest option with the lowest initial cost would be a cellular-based system similar to the location-tracking capability available commercially in most smart phones. Initial hardware costs plus activation fees for a fleet of 184 vehicles (or other mobile/trackable assets) is estimated to be $69,000. However, monthly subscription charges for commercial cellular service for that many devices would be estimated at over $5500, or approximately $66,000 annually for FY14 and beyond.

Option 3: The basic alternative to a commercial cellular-based model would be a GPS radio or repeater-based system, trading off the high ongoing subscription expense for a larger initial investment in hardware, which the City would then own and maintain (either independently or in collaboration with neighboring agency partners such as Eugene and Lane County). For example, a network of Intelesense repeaters would cost approximately $600 per ‘Intelemote’ unit, plus an additional $11,500 for 4 base ‘Intelecells’ for an estimate total cost of $136,000.

Option 4(preferred): Between Options 2 and 3, the long-term investment in a radio/GPS or repeater-based system appears to yield a much lower cost than ongoing cellular subscription charges over the life of the system. However, given the uncertainty in deploying a City-wide system at once, especially if other agencies are involved, a smaller pilot project covering only a small portion of the vehicle fleet is proposed. The total initial cost estimate of $15,500 includes $11,500 for hardware and $4000 for installation support.

SERVICE ENHANCEMENT/REDUCTION ISSUE PAPER **City of Springfield, Oregon**

To: Len Goodwin, Assistant Public Works Director

From: Brandt Melick, Technical Services Division Manager

Date: 1/30/12

Title: Topographic Remapping Project

Is this a one-time expenditure enhancement/reduction? Yes ☐ No ☒

Program Category Title: General Mapping, GIS Services, Transportation, Wastewater, and Stormwater Engineering Services Support

1. Description of Proposal

Address out-of-date topographic maps (base maps) for the entire City that were last developed in 2000. Map issues result from development-induced changes that have occurred across the City and create inaccurate topography (e.g., elevation, structures, surface facilities, vegetation and surface waterways) on City base maps used to support key City functions by all departments. Insufficient funding exists to move forward with full remapping in 2013, therefore staff recommends participation with regional partners to acquire mapping information that provides current pictures (orthoimagery) and current elevation information (LiDAR) of all areas of the City.

2. Options

1) No action; continue using existing topographic base data
2) Provide funding for full Citywide remapping ($410,000 in FY13), with future reserve funding set aside ($60,000 per year beginning in FY14) for ongoing incremental updates of approximately $120,000 every other year beginning in FY15.
3) Provide funding for LiDAR and orthoimagery acquisition only (no planimetric remapping), contracted directly from vendor(s) by the City. FY13 estimated cost: $50,000.
4) Provide funding for LiDAR and orthoimagery acquisition only (no planimetric remapping), leveraging Cooperative Program Agreement with regional partners. Estimated cost: $8300 annually ($25,000 per 3-year update cycle).

3. Discussion/Impacts

Justification: Current topographic base data is woefully out-of-date. Topo layers do not reflect significant development that has occurred over the last 10 years such as PeaceHealth and MountainGate and do not reflect other development activity such as smaller capital improvement projects, private developments, natural resource changes, etc. that have occurred since that last update. Many City functions such as facilities planning, design, construction and maintenance; current and long range land use planning, and public safety incident response (fire, police and ambulance) depend on current and complete base maps.

Out of date maps pose significant risk. Examples of specific issues include maintenance crews not being able to find facilities in the field, injury caused by servicing the wrong facility and customer

complaints because of delays servicing requests; police not being able to locate structures, effectively plan approaches to incidents and related danger imposed on officers and the general public; environmental services crews not being able to find protected natural resources (protected waterways and habitat surrounding endangered species) and as a result failing to meet regulatory compliance. In order to serve the broad array of citywide needs for current and complete base map information, this topographic remapping project is required.

Specific Plans/Policies Related to this Project:

- FEMA Remapping Project
- Engineering Map Books (Sewer Maps)
- Fire and Life Safety Map Books
- DSD/Planning Projects (Glenwood, UGB/2030 Plan, CIBL/RLI)
- Local Wetlands Inventories
- Mill Race and other CIP Projects
- Natural Hazard Mitigation Plan
- Police and Water Rescue Map Books
- Standard and Special Purpose Maps
- Wastewater and Stormwater Master Plans

Option 1: Errors and omissions on the topographic maps have already begun to impact functions citywide. These deficiencies can take the form of less-accurate spatial data products delivered to our user base (whether other City staff, City partners or consultants, other public agencies, and/or private parties within the community) or longer response times to requests for these products as Technical Services staff must develop and employ more workarounds to address/mitigate known deficiencies, or some combination of both. Diminished data quality and/or slower responses will be exacerbated as data continues to fall further out of date.

Option 2: Remedies current base data deficiencies with a new topographic map base. The City can fund $169,000 of the total $410,000 cost for full remapping in the proposed Capital budget for FY13, but is not positioned to fund the additional $241,000, including the share of the effort attributable to meeting the needs of other services and departments (estimated at a 47% split, vs 53% PW). Subsequent budgets will also need to account for setting aside a portion of funding of approximately $60,000 per year for FY14 and beyond, in anticipation of inevitable remapping needs in the future. This would cover a long-term strategy of making incremental updates every other year to alleviate the need to start over Citywide when data becomes “stale” again; thus, the reserve funds would facilitate expenditures of $120,000 over each two-year cycle, beginning in FY15. Leveraging from more recently-developed data products will save time and costs – and improve accuracy – over wholesale remapping at less-frequent intervals.

Option 3: Option 3 seeks to reduce costs by limiting new data acquisition to orthoimagery and LiDAR coverage only, rather than full remapping. This option would provide funding for the City to contract directly with the data vendor(s), to meet the City’s scheduling needs and specifications. These data tiles could subsequently be used by City staff as well as potential project partners to supplement existing topographic base layers, helping to inform users in identifying new feature locations and elevations (whether new construction or natural changes). Under this option, the City would need to budget resources of approximately $17,000 annually to cover the balance of the cost, which we estimate to be $50,000 over each 3-year update cycle.

Option 4: Compared to Option 3, Option 4 also proposes acquiring only aerial orthoimagery and LiDAR, but doing so by participating in regularly-scheduled updates as part of a regional consortium administered by LCOG. Under this option, the City would need to budget resources of approximately $8300 annually to fund each update cycle, which LCOG forecasts at $25,000 over 3 years ($15,000 for orthoimagery + $10,000 for LiDAR).

Please note that SDC eligibility is legally limited to $75,000 per year with the proposed matching funds. This SDC eligibility limitation applies to Options 2, 3, and 4.

Preferred Option: While Option 2 most comprehensively satisfies the City's needs for new base maps, it requires a budget allocation well beyond what the City can afford under the current financial climate. Options 3 and 4 both address the ongoing need for a long-term solution, but at lower cost by providing only newer imagery and terrain data incrementally, which can be used to supplement existing data where changes have occurred – recognizing the fact that topographic data is not static and that City's inventories must evolve accordingly or risk failing to meet the needs of a wide range of users over time (both within City staff and the larger community of spatial data consumers). Of the two, Option 4 provides the most cost-effective solution by leveraging similar data development efforts regionally, pooling funds to offset the up-front administrative overhead and post-processing, thereby enabling the City to acquire the products at a lower cost per data tile or coverage area. By reducing the unit cost, the City gains additional flexibility to acquire greater data coverage at each interval for the same equivalent cost, or acquiring the same targeted extent at a lower total cost, in whatever combination is dictated by future budgets.

CITY OF SPRINGFIELD BUGET COMMITTEE
FY13 BUDGET ERRATUM WORKSHEET
MAY 8, 2012

	TITLE & DESCRIPTION	INITIAL COST	CHANGE	ERRATUM	SOURCE	YES	NO
OUTSIDE AGENCY REQUEST FOR ADDITIONAL FUNDING							
1.	**LRAPA**						
A.	Fund at 2010-2011 Adopted budget amount	-	56,760	56,760	General Fund Reserves		
B.	Contribute towards matching funds for grant	-	21,224	21,224	General Fund Reserves		
C.	Motion recommended to council for donation of leased space for operations	-	-	-	Booth Kelly Space		
2.	**TBD**						
BUDGET COMMITTEE REQUESTS							
1.	**Lane Human Services Commission**						
A.	Fund at the 2011-2012 Adopted budget amount	115,555	12,839	128,394	General Fund Reserves		
B.	TBD						
2.	**Metro Partnership**						
A.	Fund at the 2011-2012 Adopted budget amount	45,000	5,000	50,000	General Fund Reserves		
B.	Reallocation of CMO Services cost to Tranient Room Tax Fund	45,000	5,000	50,000			
3.	**TBD**						
Other Actions							
1.	**LCOG**						
A.	Reduce LCOG budget by half pending mid year review	23,417	(11,709)	11,709	General Fund Reserves		
B.	Motion recommend to council to hold six months of dues pending status of mid year review	23,417	-	23,417			
2.	**TBD**						

Budget Committee Action Required for Approval of FY13 Proposed Budget

Motions:

- A motion to approve the budget as proposed by the City Manager with the following changes: (person making the motion should, or can ask staff to, recite the changes identified on the master Budget Committee Deliberation Worksheet and as captured in the meeting minutes

- A motion to direct Council to levy a property tax for the 2012/13 fiscal year at a rate of $4.7403 per thousand.

- A motion to direct Council to levy a special operating local option property tax for the 2012/13 fiscal year at a rate of $0.36 per thousand. (The Fire Local Option Levy)

- A motion to direct Council to levy a special operating local option property tax for the 2012/13 fiscal year at a rate of $1.09 per thousand. (The Police and Court Local Option Levy)

- A motion to levy an additional $3,261,900 for the retirement of the City's bonded indebtedness.

LRAPA
Lane Regional Air Protection Agency

1010 Main Street
Springfield, OR 97477

Phone: **(541) 736-1056**
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1-877-285-7272
www.lrapa.org
E-mail: lrapa@lrapa.org

May 4, 2012

Jeff Towery
Assistant City Manager
City of Springfield
225 Fifth Street
Springfield, OR 97477

RE: Budget Questions for LRAPA

Dear Jeff:

Thank you for forwarding the questions from the first meeting of the Springfield Budget Committee on May 1, 2012. Here are the responses to those questions as well as a few similar questions raised in the recent Eugene and Lane County budget proceedings. The attachments provide more details and context for the budget numbers that follow. Please call me (cell: 541-285-3063) if you need more information.

What would a DEQ program look like if LRAPA wasn't here?

First, let me be clear that I expect LRAPA will survive even under our worst-case funding scenario. Over half of the LRAPA budget is supported by permit fees; these fees are essentially the same as the state fees, and the LRAPA staffing costs (salaries and benefits) are leaner than the state personnel structure, so for the same permit fees LRAPA is able to provide a higher level of service to businesses. LRAPA has had strong political support even from those unable to fund us at the requested levels.

That said, without local funding there would be a devastating impact on local air quality services, whether operated by DEQ or LRAPA. The most critical air quality programs for meeting air quality standards are the result of general funds: in our case, local funds are leveraged with state general funds which are then leveraged with federal air quality grants. For example, these funds support the residential wood heating programs (woodstove replacements with cleaner burning units, red-yellow-green curtailment during stagnant air episodes), real-time air monitoring and reporting, complaint response, local ordinances implementation, etc. Without these general funded programs, we would not be able to continue to meet air quality standards on schedule and stay ahead of progressively more protective health standards. Meeting air quality standards is important for avoiding federal transportation (and other) funding sanctions under the Clean Air Act.

What would happen to local air quality services without local dues?

A couple of the attachments describe this in much detail, but the $680,710 that LRAPA spent this year (leveraging the $159,360 in local dues) on work related to local ordinances would need to be reduced by at least 77% next year if there were no local dues. If uniformly applied across the partners jurisdictions, the reductions would look like this:

- Springfield: $92,279 reduced to $21,224.
- Eugene: $251,887 reduced to $57,934.
- Eugene-Springfield UGBs: $56,676 reduced to $13,036.
- Cottage Grove: $40,503 reduced to $9,316.
- Oakridge: $135,708 reduced to $31,068.
- Rest of Lane County: $104,287 reduced to $23,986.

The 77% reduction would severely reduce the amount of air quality monitoring and reporting, local ordinances implementation, complaint response, progress reporting and plan updating.

It would also reduce our ability to secure and administer pass-through grants for local residents, businesses, schools and communities. For example, during 2011-2012 LRAPA helped homeowners replace 217 old polluting woodstoves with cleaner, more energy-efficient heating systems in the Oakridge, Cottage Grove, Eugene and Springfield areas using $411,992 in federal grant funds for homeowner rebates. The number of participants and the total rebates by city were:

City	Participating Homes	Total Rebates
Cottage Grove	8	$12,000
Eugene	94	$139,500
Oakridge	79	$201,992
Springfield	36	$58,500

The $411,992 in rebates generated total sales to local businesses of $840,067 (with $316,262 of these sales by Springfield-based businesses).

What would it cost local governments to implement local air pollution ordinances if LRAPA did not have the resources to do so?

The City of Springfield is in a better position to estimate its labor and program costs than is LRAPA, but let me provide two perspectives for your consideration.

First, as mentioned earlier, LRAPA has relatively lean staffing costs (salaries and benefits) compared to similar agencies. We estimate our costs this year to implement local ordinance related programs in Springfield, including air monitoring and reporting, at $92,279. Without the air monitoring and reporting at Springfield City Hall ($37,934), the estimated LRAPA costs for Springfield would be $54,345.

Second, Delbert Bell from the Klamath County Health Department was in Springfield yesterday to compare notes on residential wood heating strategies. He indicated it costs the Klamath County Health Department about $60,000 per year to implement the local air pollution ordinances in the City of Klamath Falls and surrounding areas (about 40,000 residents). His costs do not include air monitoring and reporting; DEQ operates a single air monitoring site in Klamath County at the Peterson School in the South Suburban area of Klamath Falls, probably at a cost at least as high as what LRAPA spends at Springfield City Hall, possibly higher since DEQ does not have local laboratory staff in Klamath County.

Is LRAPA business-friendly?

Yes. I couldn't say it as well as Randy Hledik of Wildish who testified at your May 1st budget meeting, so I will just quote him here:

> "Working with community partners, LRAPA has been exceptionally successful in meeting national air quality standards in the Springfield area. Achieving and maintaining this high level of air quality is not only important for protecting public health and the environment, but it is also critical for our local economy in terms of businesses wanting to locate or expand here. It is more difficult and costly for industry to operate in areas where air quality does not attain prescribed national standards. LRAPA is to be commended for its efforts in working with industry and consistently meeting the standards for particulates, ozone and carbon monoxide.

One of the four strategic goals of LRAPA is Service: To serve citizens and other stakeholders fairly, courteously and in a timely manner. Since I'm involved with the local business community, the business stakeholder group is especially important to me.

In this regard, the focus at LRAPA has been to minimize air pollution by working with industrial sources to maximize compliance with the prescribed standards. Because of this approach, federal enforcement cases are rare in Lane County – and that is a positive signal to new and expanding firms.

Furthermore, the LRAPA Citizens Advisory Committee conducts an annual customer service survey. The results of these surveys consistently report exceptional service performed by staff in regard to Permit Modifications, Permit Renewals, New Permit Applications and Construction Permit Reviews.

LRAPA is one of the best investments this area has made. It's worth remembering that the agency played a key role in helping Kingsford Charcoal become an economically viable alternative to burning wood waste in wigwam burners.

I ask for your support for LRAPA so that it can continue working with its partners to improve air quality and economic development."

What is the critical local funding level needed for LRAPA?

In order to protect our state general funds and federal air grants, the critical local funding needed to match these state-federal funds is $121,670. [This is much reduced from the total local dues requests of $339,700 per year in 2008-2011 based on $0.97 per capita.] Allocated by population, the $121,670 equates to about $55,000 from Eugene, $40,000 from Lane County, $20,000 from Springfield, and the remainder from Cottage Grove and Oakridge. In-kind services can provide part of the local dues. Without local dues, the leveraged impact to LRAPA could be a total loss of $524,730 or more.

Thank you for the opportunity to respond to the budget-related questions. Please call me on my cell phone (541-285-3063) if you need more details.

Sincerely,

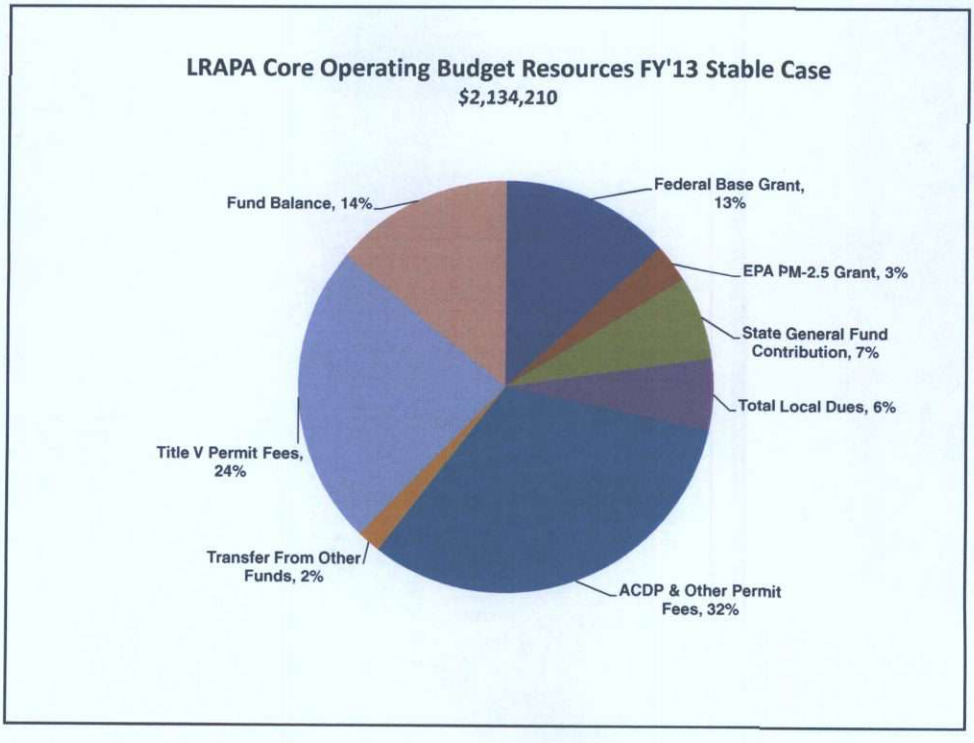
Merlyn L. Hough, Director
Lane Regional Air Protection Agency

Enclosures:

1. LRAPA Worst Case Budget Scenario for FY'13.
2. Local Ordinance Implementation Costs.
3. Report on Woodstove Replacement Project.

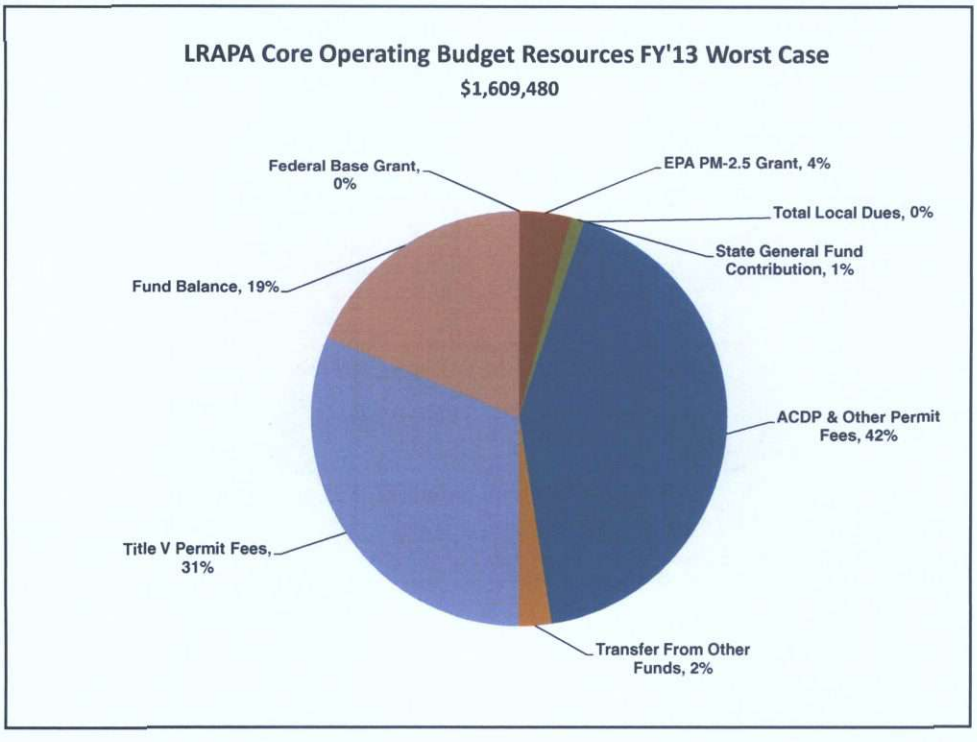
LRAPA Worst Case for FY '13 Budget

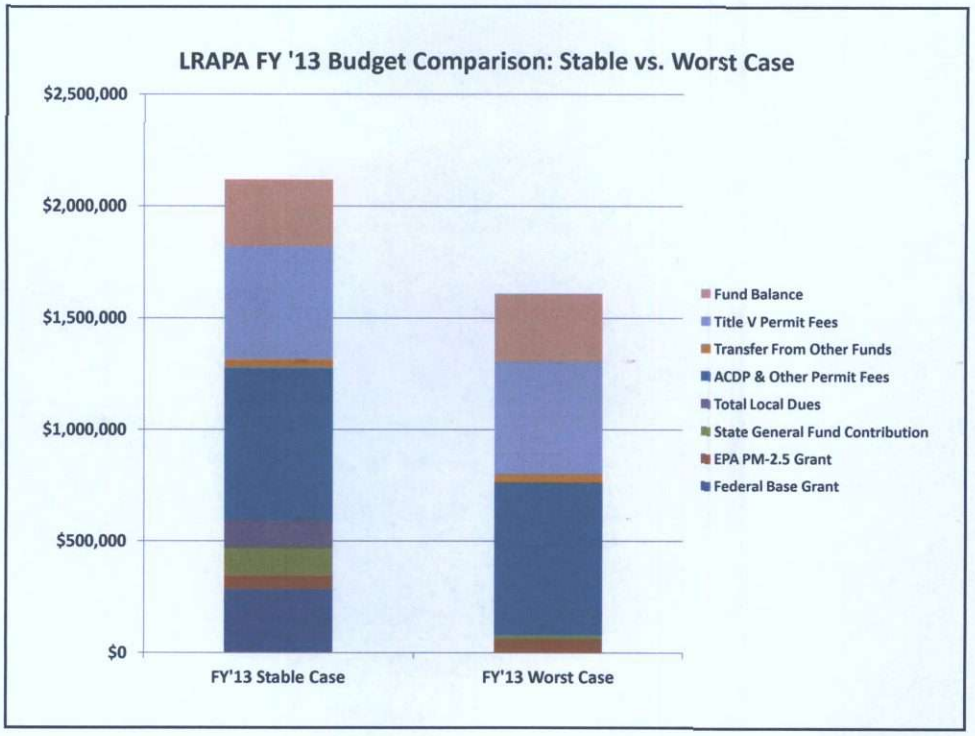
April 26, 2012 Budget Committee Meeting

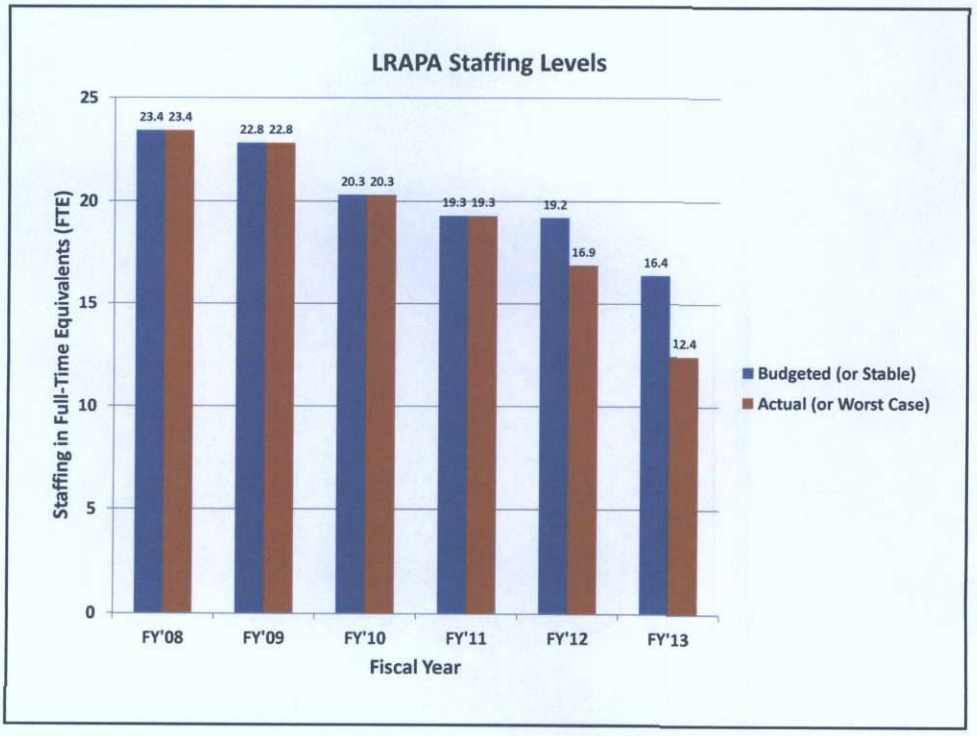


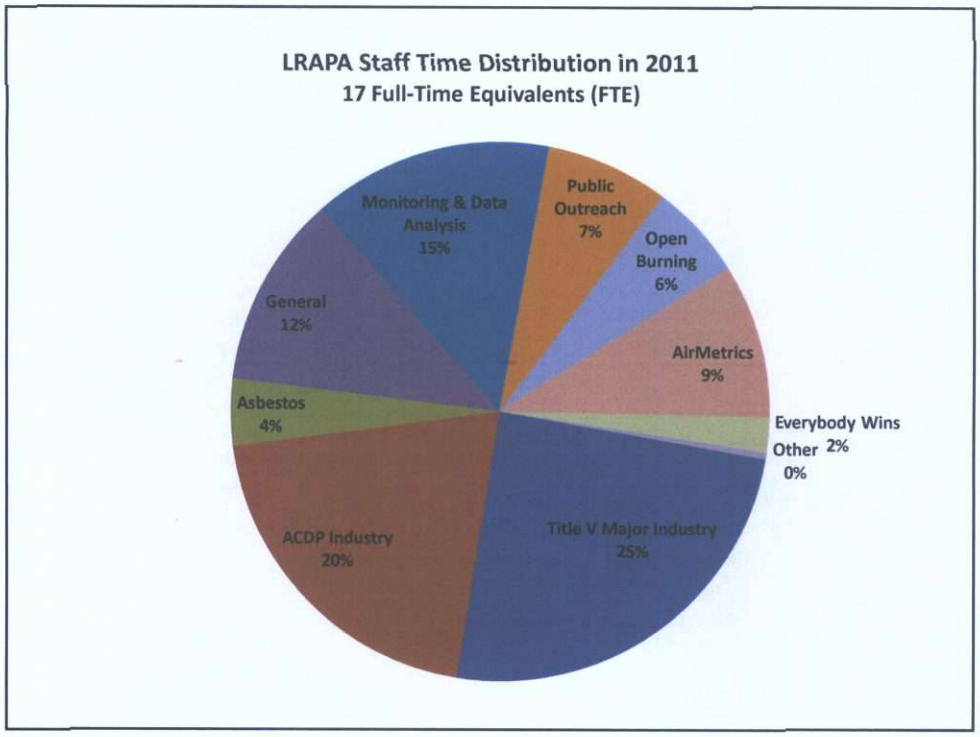
LRAPA Worst Case Scenario

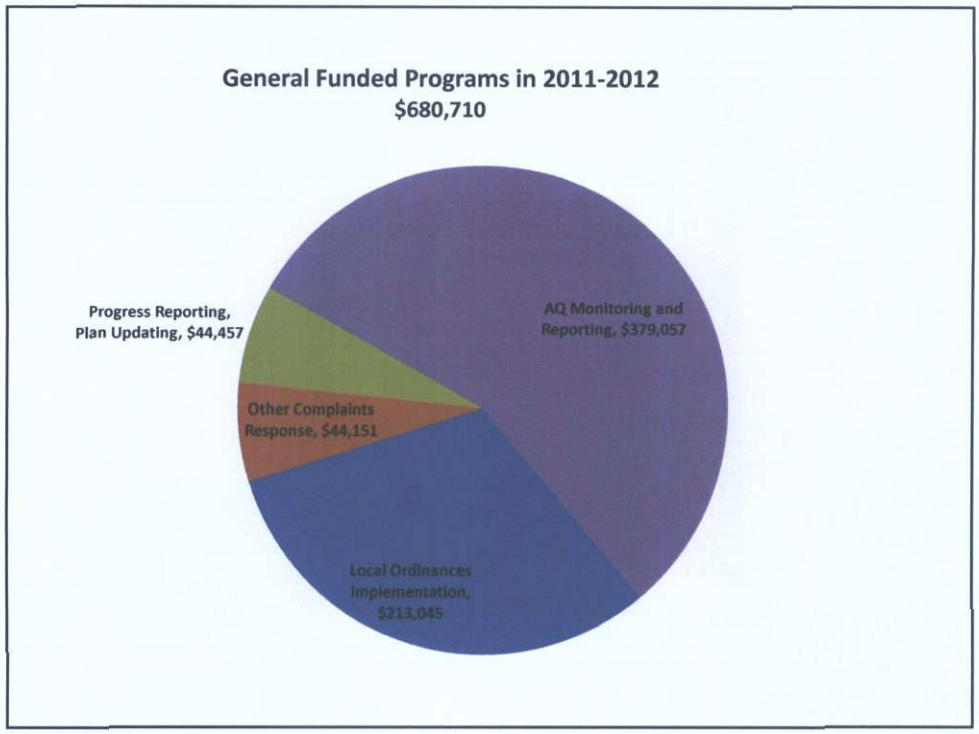
- No local dues (-$121,670) to match state general funds or federal air base grant.
- No state general funds (-$121,670).
- No federal air base grant (-$281,390) due to lack of non-federal match or maintenance of effort (MOE).
- Total budget reduction of -$524,730.

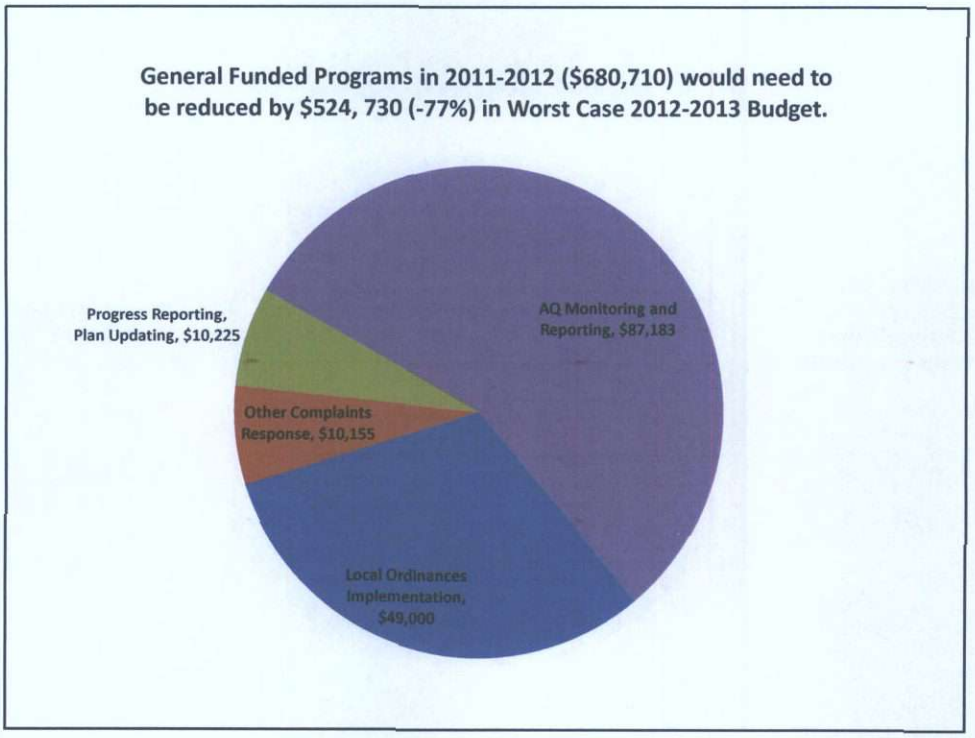


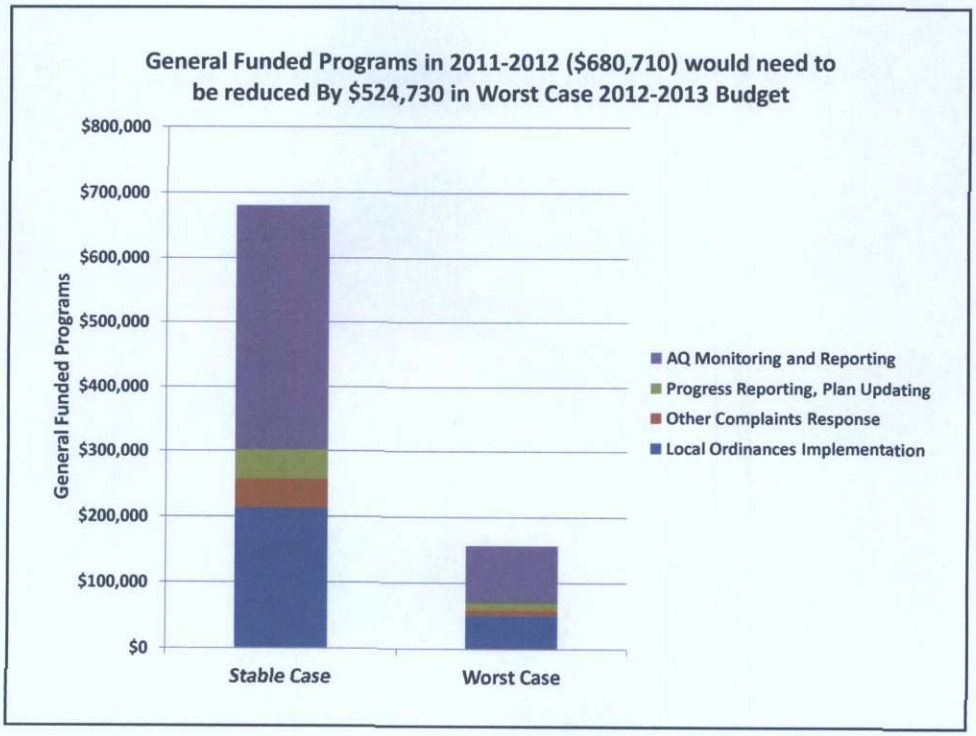

LRAPA FY '13 Budget Comparison: Stable vs. Worst Case
$2,500,000
$2,000,000
$1,500,000
$1,000,000
$500,000
$0
FY'13 Stable Case
FY'13 Worst Case
Fund Balance
Title V Permit Fees
Transfer From Other Funds
ACDP & Other Permit Fees
Total Local Dues
State General Fund Contribution
EPA PM-2.5 Grant
Federal Base Grant

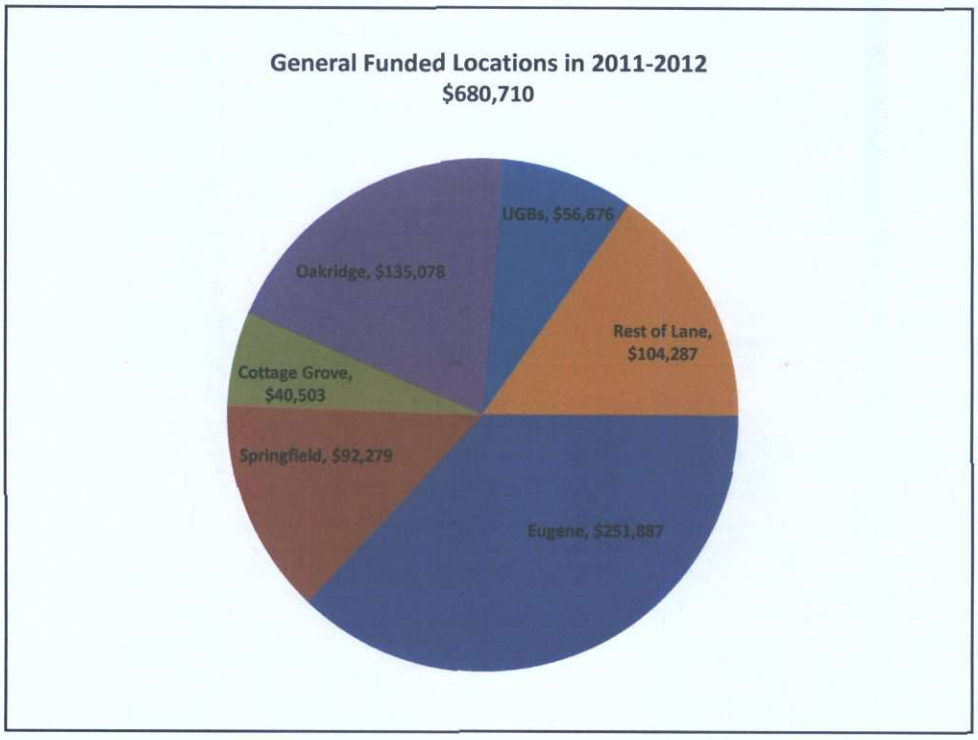

LRAPA Staffing Levels
Staffing in Full-Time Equivalents (FTE)
25
20
15
10
5
0
23.4 23.4
22.8 22.8
20.3 20.3
19.3 19.3
19.2
16.9
16.4
12.4
FY'08
FY'09
FY'10
FY'11
FY'12
FY'13
Fiscal Year
Budgeted (or Stable)
Actual (or Worst Case)

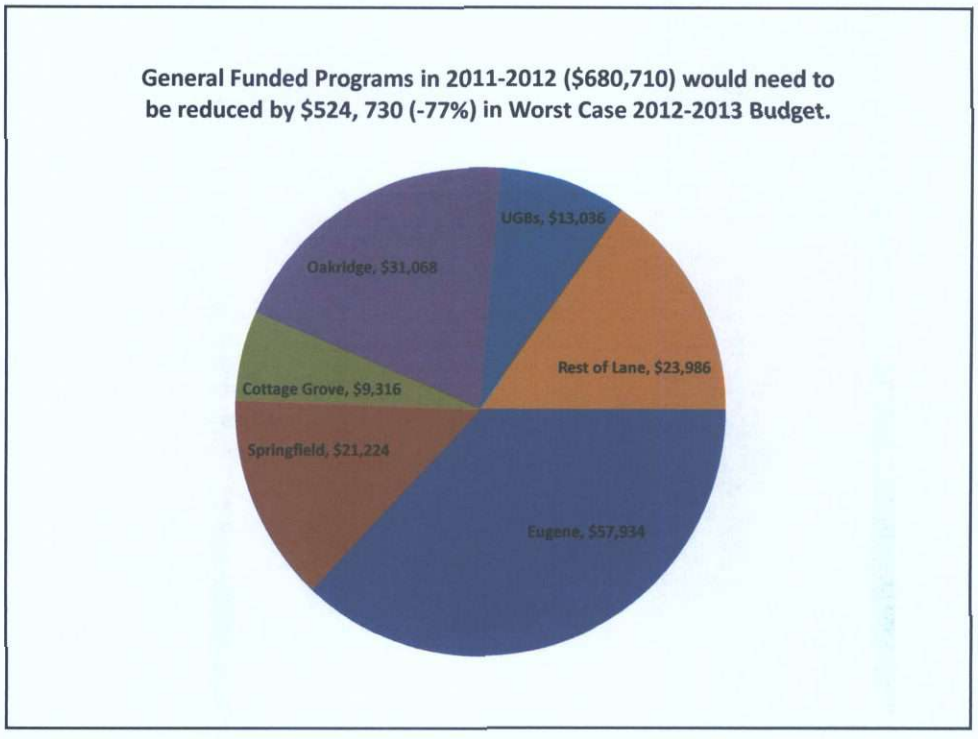

LRAPA Staff Time Distribution in 2011
17 Full-Time Equivalents (FTE)
Monitoring & Data Analysis 15%
Public Outreach 7%
Open Burning 6%
AirMetrics 9%
Everybody Wins 2%
Other 0%
Title V Major Industry 25%
ACDP Industry 20%
Asbestos 4%
General 12%

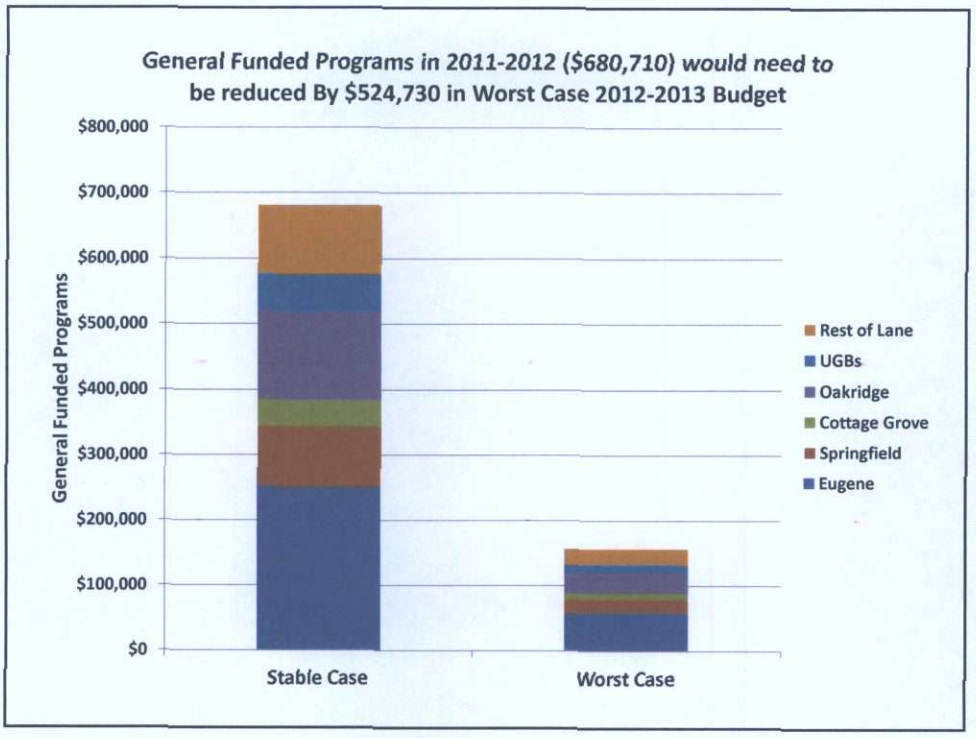

General Funded Programs in 2011-2012
$680,710
Progress Reporting, Plan Updating, $44,457
AQ Monitoring and Reporting, $379,057
Other Complaints Response, $44,151
Local Ordinances Implementation, $213,045


General Funded Programs in 2011-2012 ($680,710) would need to be reduced by $524, 730 (-77%) in Worst Case 2012-2013 Budget.
Progress Reporting, Plan Updating, $10,225
AQ Monitoring and Reporting, $87,183
Other Complaints Response, $10,155
Local Ordinances Implementation, $49,000


General Funded Programs in 2011-2012 ($680,710) would need to be reduced By $524,730 in Worst Case 2012-2013 Budget
$800,000
$700,000
$600,000
$500,000
$400,000
$300,000
$200,000
$100,000
$0
General Funded Programs
Stable Case
Worst Case
AQ Monitoring and Reporting
Progress Reporting, Plan Updating
Other Complaints Response
Local Ordinances Implementation


General Funded Locations in 2011-2012
$680,710
UGBs, $56,676
Rest of Lane, $104,287
Eugene, $251,887
Springfield, $92,279
Cottage Grove, $40,503
Oakridge, $135,078


General Funded Programs in 2011-2012 ($680,710) would need to be reduced by $524, 730 (-77%) in Worst Case 2012-2013 Budget.
UGBs, $13,036
Rest of Lane, $23,986
Eugene, $57,934
Springfield, $21,224
Cottage Grove, $9,316
Oakridge, $31,068


General Funded Programs in 2011-2012 ($680,710) would need to be reduced By $524,730 in Worst Case 2012-2013 Budget
$800,000
$700,000
$600,000
$500,000
$400,000
$300,000
$200,000
$100,000
$0
General Funded Programs
Stable Case
Worst Case
Rest of Lane
UGBs
Oakridge
Cottage Grove
Springfield
Eugene

Local Ordinance Implementation Costs

Here in the table below is the bottom line of the LRAPA staff analysis to calculate the costs to implement local ordinances and the supporting programs. The detailed calculations are included under various tabs of the spreadsheet, and a sequence of graphical summaries follows the table.

Eugene	Springfield	Cottage Grove	Oakridge	UGBs	Rest of Lane	Total	Local Ordinance Services Description
$152,017	$37,934	$28,151	$128,060	$14,952	$17,943	$379,057	AQ Monitoring and Reporting
$55,634	$42,709	$8,808	$6,205	$33,107	$66,582	$213,045	Local Ordinances Implementation
$24,103	$4,165	$2,333	$333	$4,998	$8,219	$44,151	Other Complaints Response
$20,133	$7,471	$1,211	$480	$3,619	$11,543	$44,457	Progress Reporting, Plan Updating
$251,887	**$92,279**	**$40,503**	**$135,078**		**$160,963**	**$680,710**	**Local Ordinance Services Provided by LRAPA**

The first pie chart summarizes the LRAPA core revenue sources for the current budget year (July 1, 2011 through June 30, 2012). Various permit fees currently provide about 65% of the LRAPA core revenue, and the various general fund sources (local, state and federal) provide about 32%. [When LRAPA began in 1968, all of the funding was from general fund sources.]

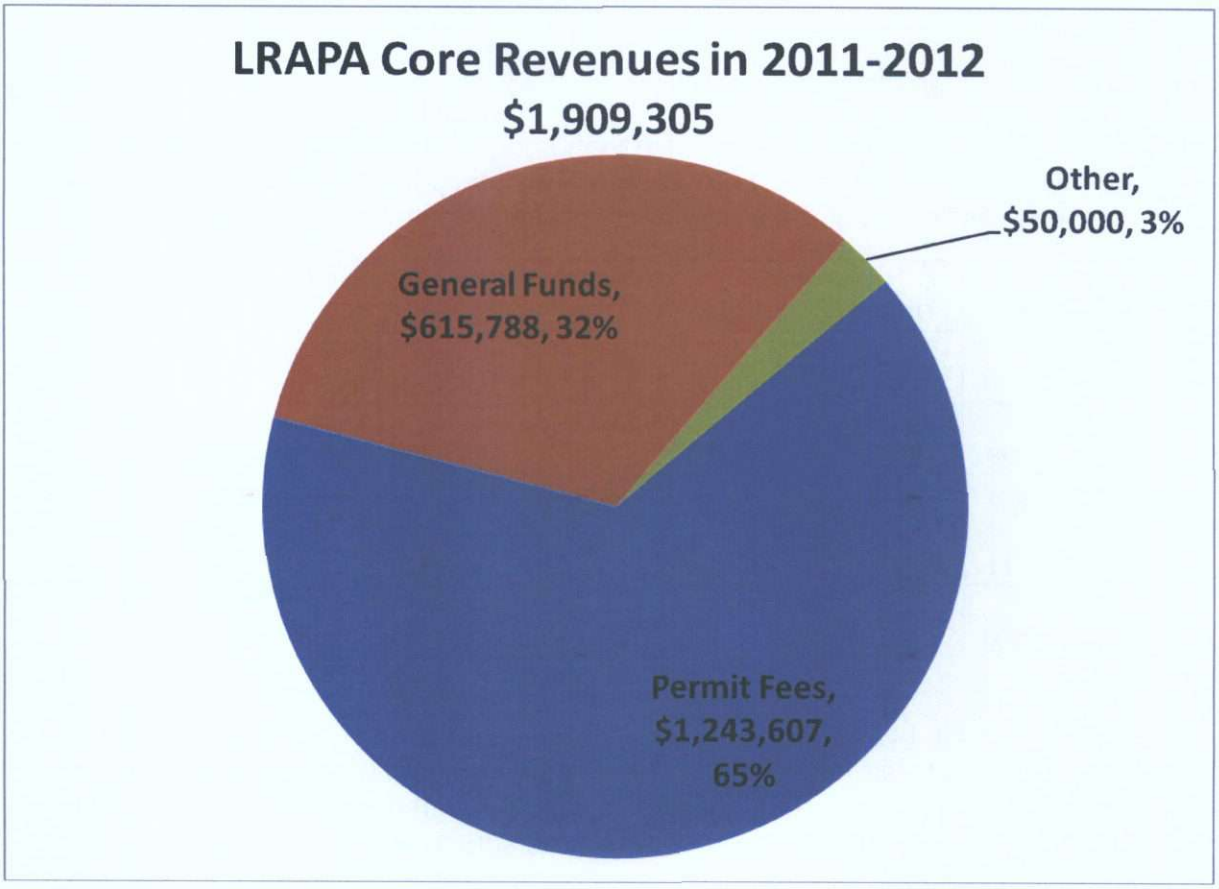
The various general fund revenue sources are broken down in the second graph. Local contributions are required to at least equal state general funds. Local and state funds in turn are used to provide match for the federal funds and to help meet the Maintenance of Effort (MOE) requirements for federal air grants.

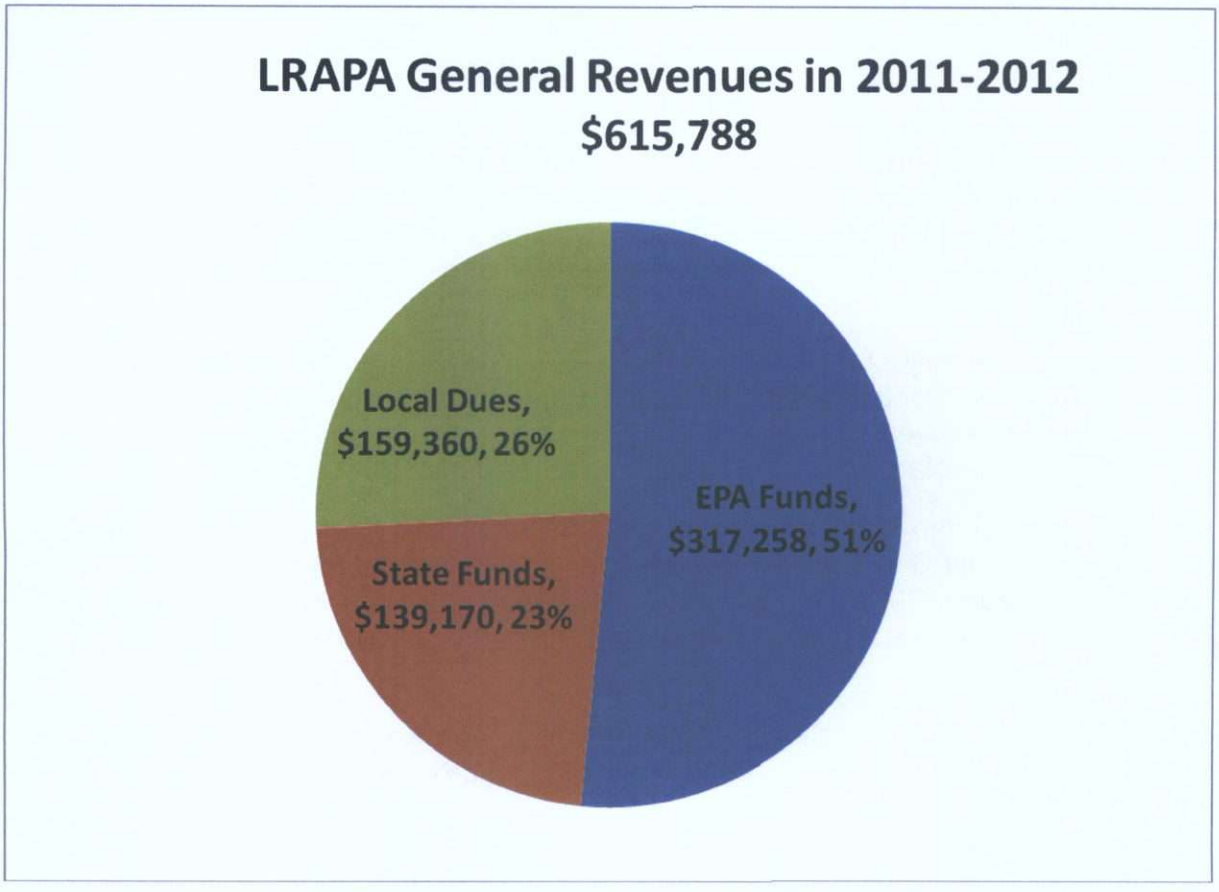
The various permit fee revenue sources are broken down in the third graph. The fourth graph summarizes the LRAPA staff time distribution for calendar year 2011. Overall, the permit fees at least cover the costs of the permitting programs, although there are some fluctuations from year to year due to the number of projects requiring permit fees (e.g., asbestos abatement work related to demolition or renovation projects) or startup costs of new programs (e.g., gasoline dispensing facilities, autobody shops).

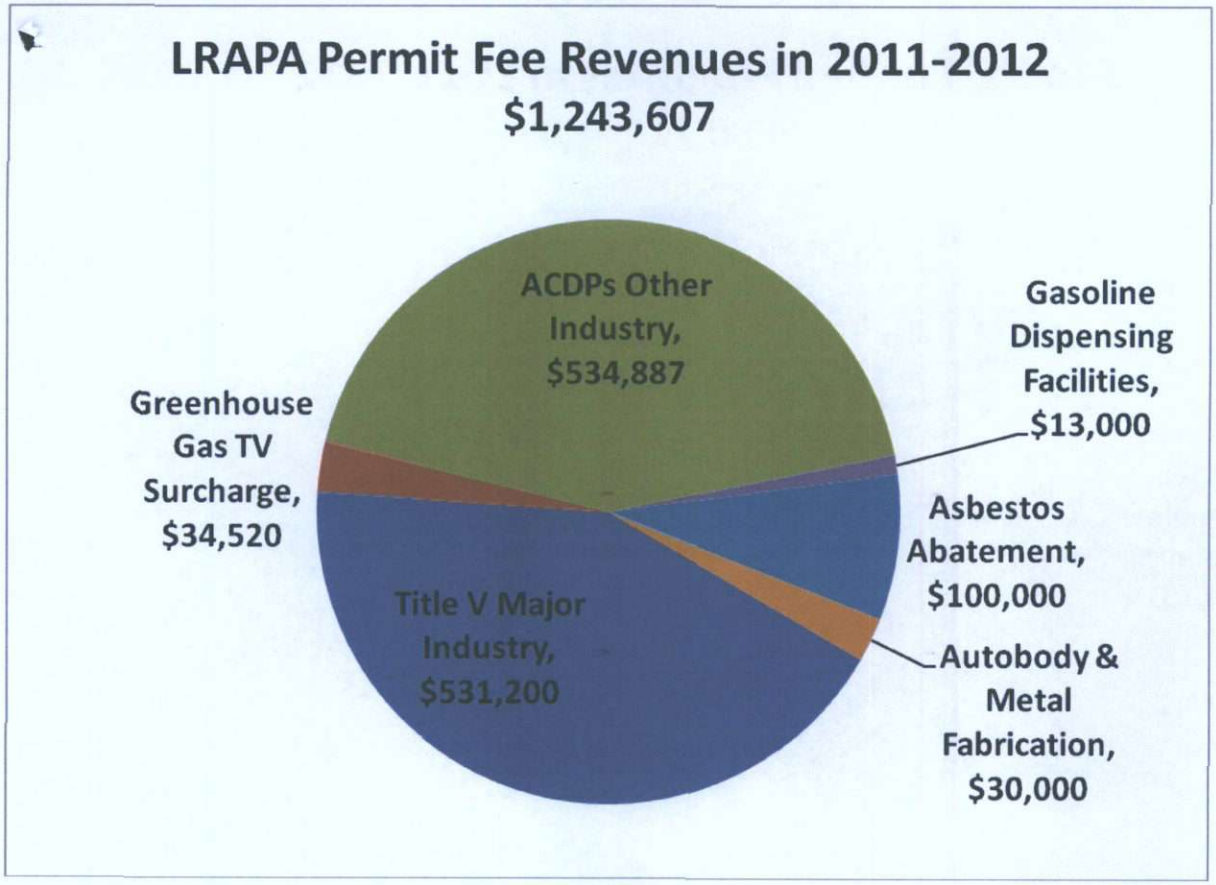
The fifth graph summarizes the major LRAPA programs provided by general funds during 2011-2012. The costs of these programs slightly exceed the amount of general fund revenues during 2011-2012; the difference is provided by reserves or other funds. The sixth graph summarizes the geographic areas of these same LRAPA programs provided by general funds during 2011-2012.

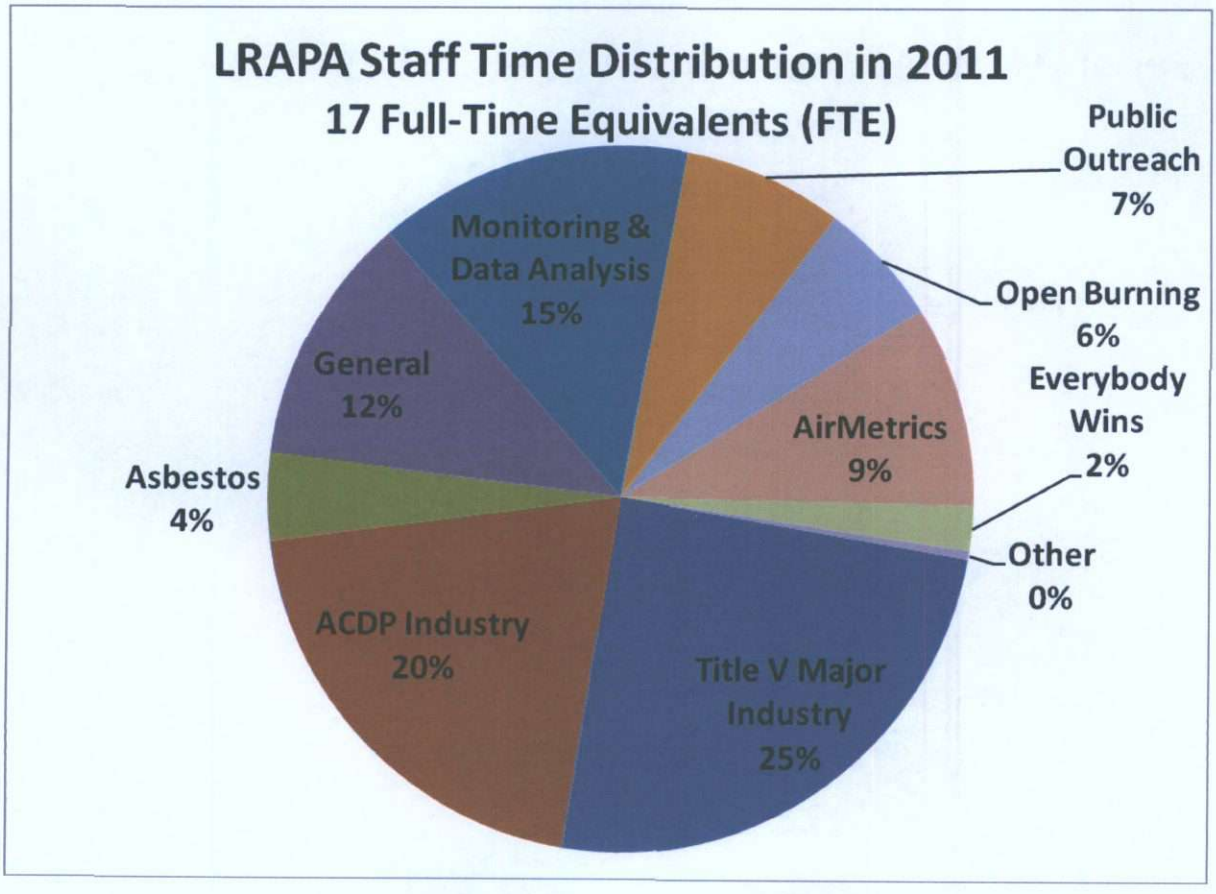
The seventh graph summarizes the geographic areas of LRAPA monitoring and reporting during 2011-2012.Most of the monitoring is in Eugene (based on population and air quality maintenance reasons) and Oakridge (based on PM attainment and maintenance reasons). The eighth graph summarizes the LRAPA monitoring and reporting during 2011-2012 by pollutant. Most of the monitoring is for PM2.5 purposes.

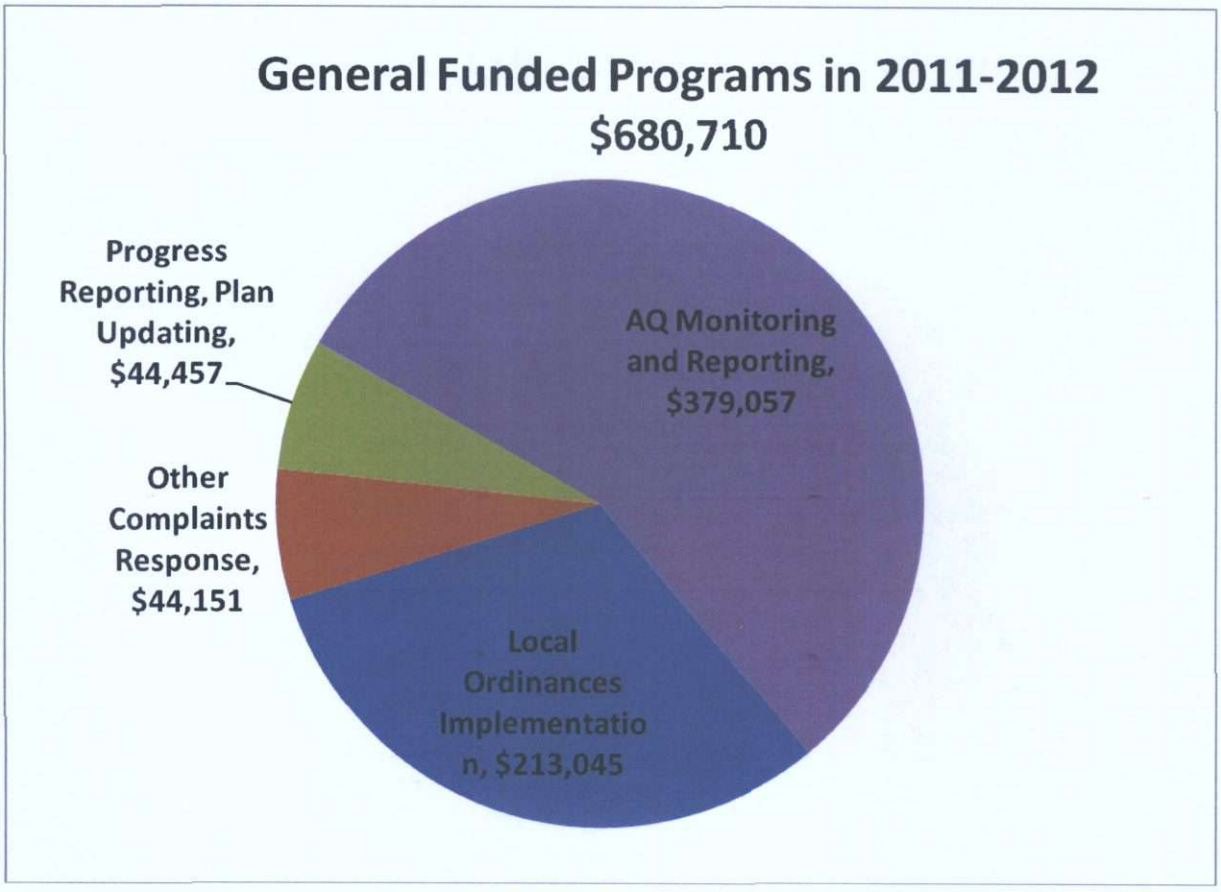
The next three graphs summarize the locations and sources of air pollution complaints during 2011-2012. The last two graphs compare populations and the requested LRAPA dues for the jurisdictions of the IGA partners.


LRAPA Core Revenues in 2011-2012
$1,909,305
Other, $50,000, 3%
General Funds, $615,788, 32%
Permit Fees, $1,243,607, 65%


LRAPA General Revenues in 2011-2012
$615,788
Local Dues, $159,360, 26%
EPA Funds, $317,258, 51%
State Funds, $139,170, 23%


LRAPA Permit Fee Revenues in 2011-2012
$1,243,607
ACDPs Other Industry, $534,887
Gasoline Dispensing Facilities, $13,000
Greenhouse Gas TV Surcharge, $34,520
Asbestos Abatement, $100,000
Title V Major Industry, $531,200
Autobody & Metal Fabrication, $30,000


LRAPA Staff Time Distribution in 2011
17 Full-Time Equivalents (FTE)
Public Outreach 7%
Monitoring & Data Analysis 15%
Open Burning 6%
General 12%
Everybody Wins 2%
AirMetrics 9%
Asbestos 4%
Other 0%
ACDP Industry 20%
Title V Major Industry 25%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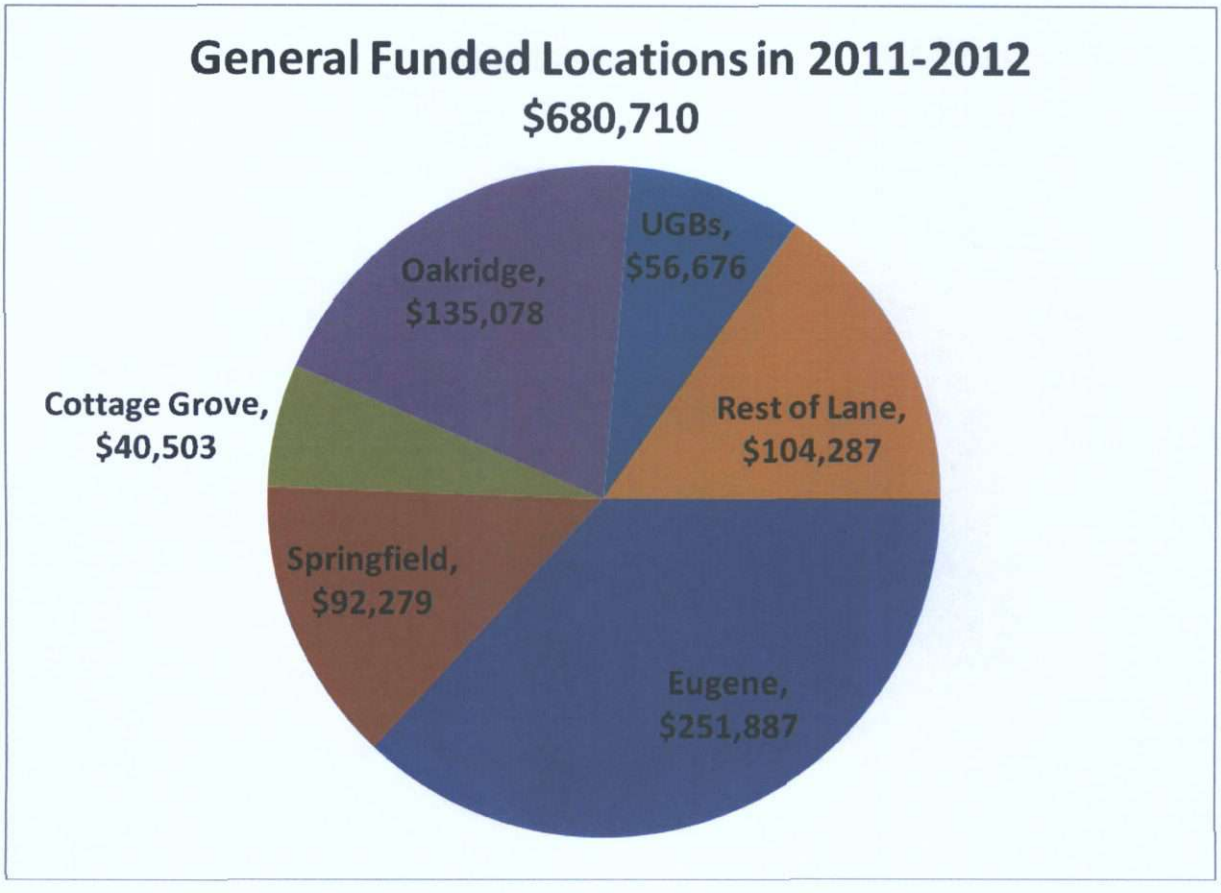
Local Ordinances Implementation, $213,045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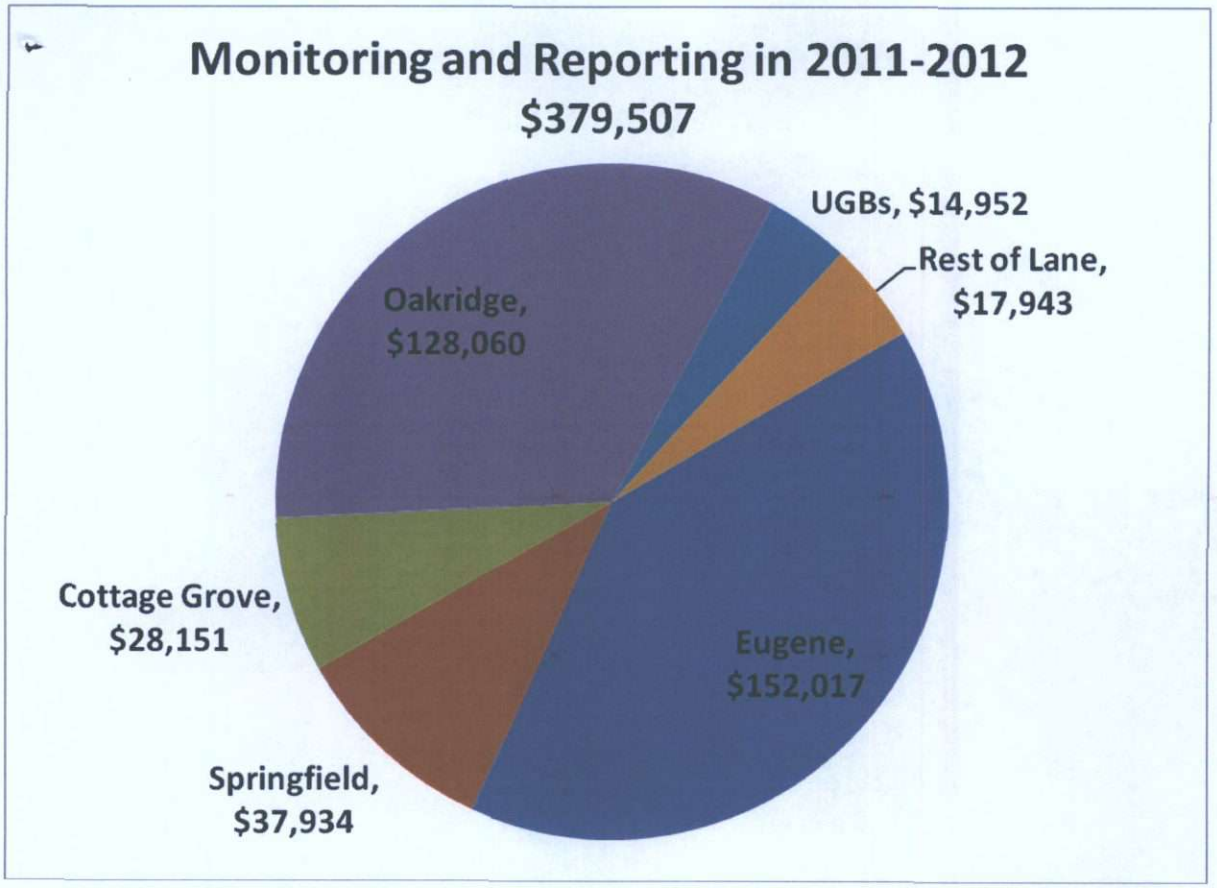
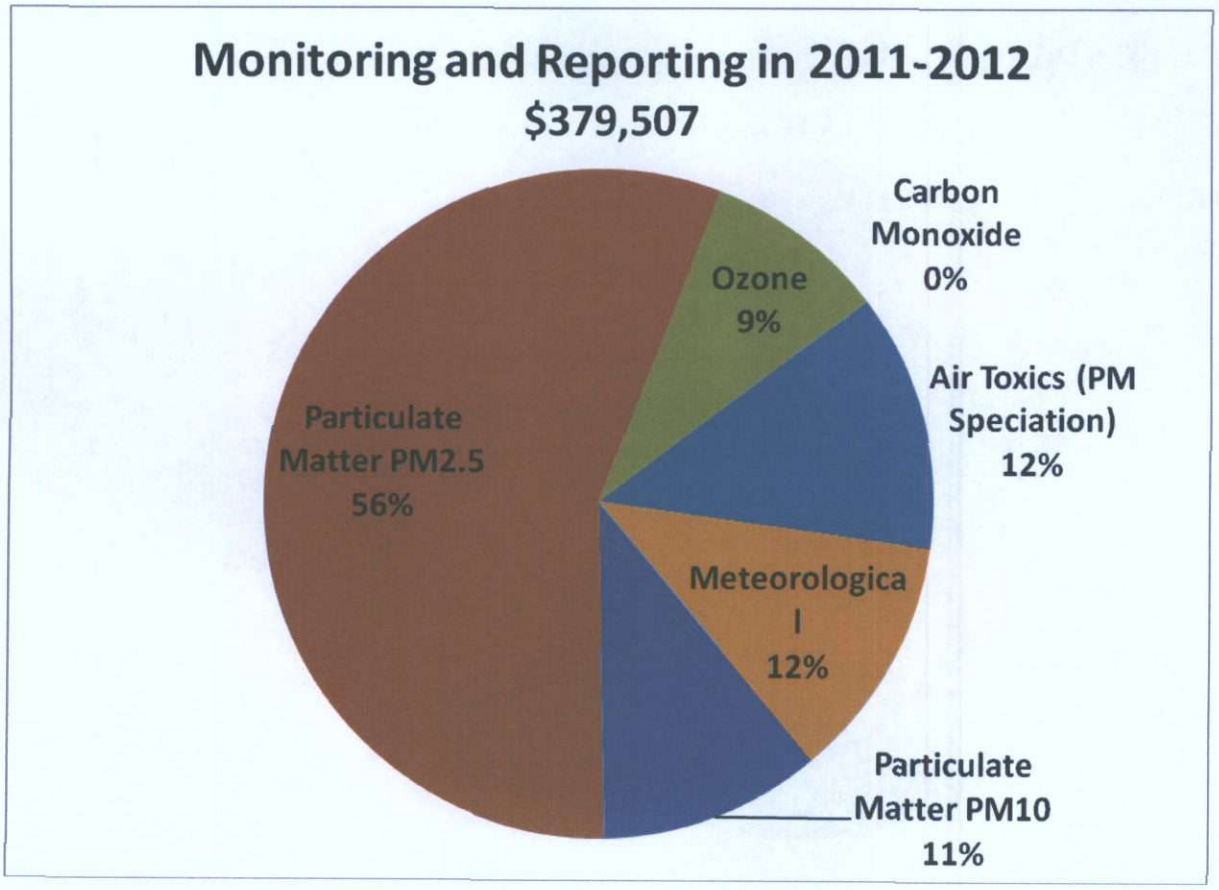
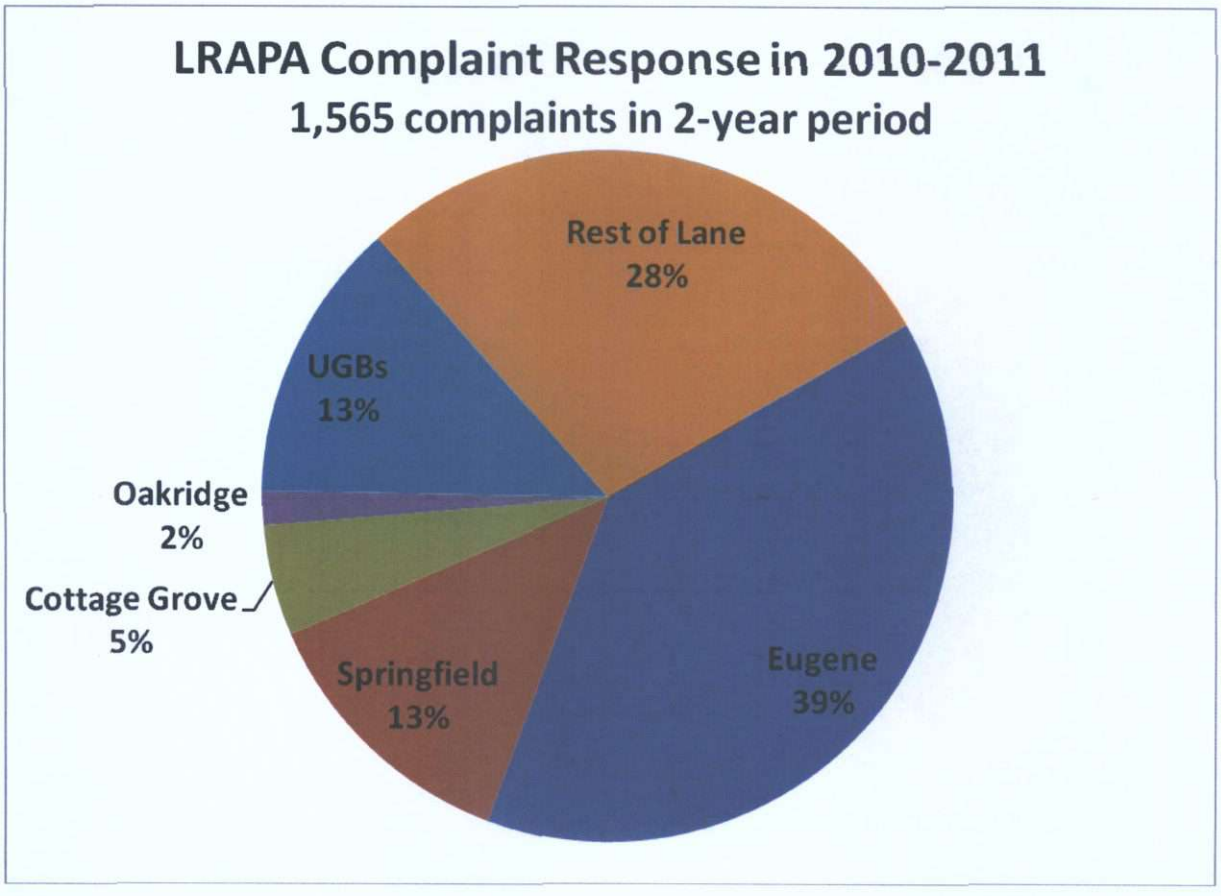
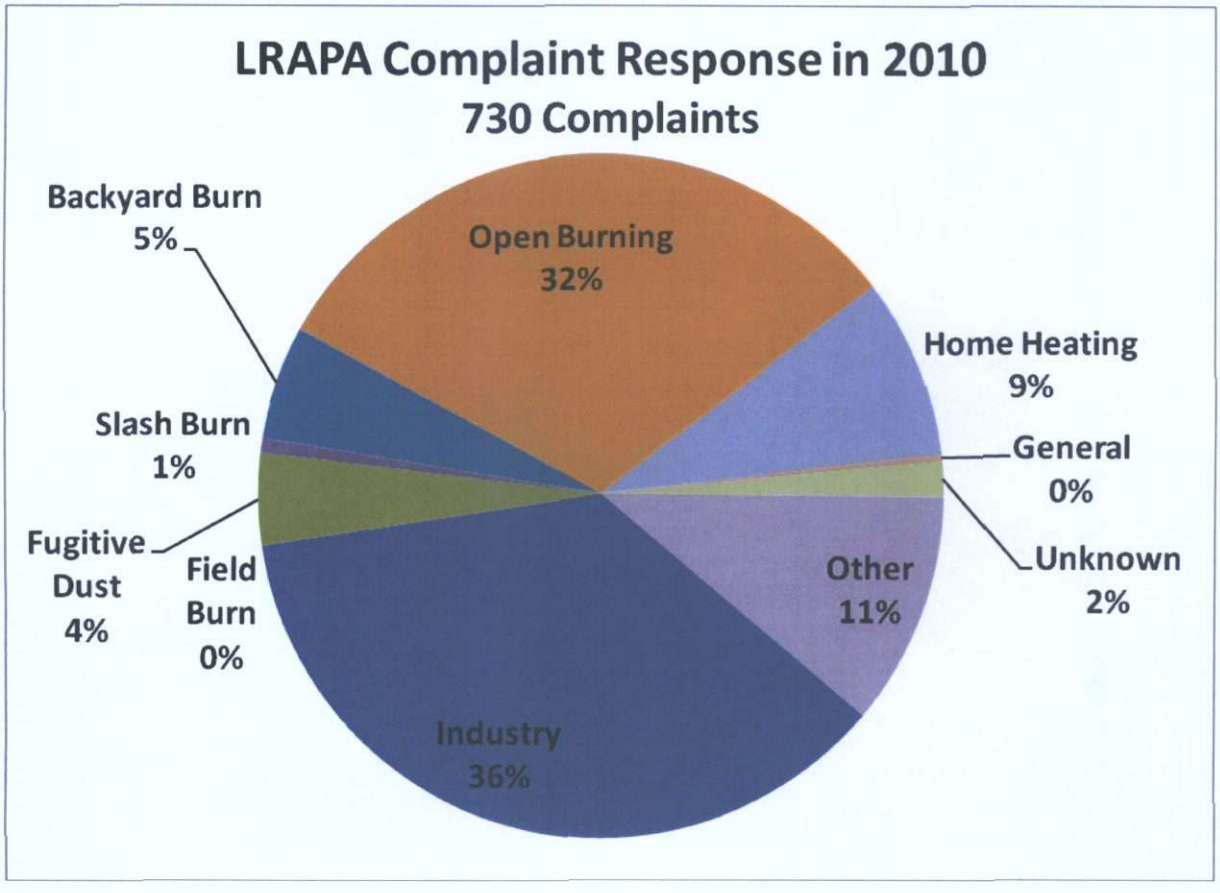
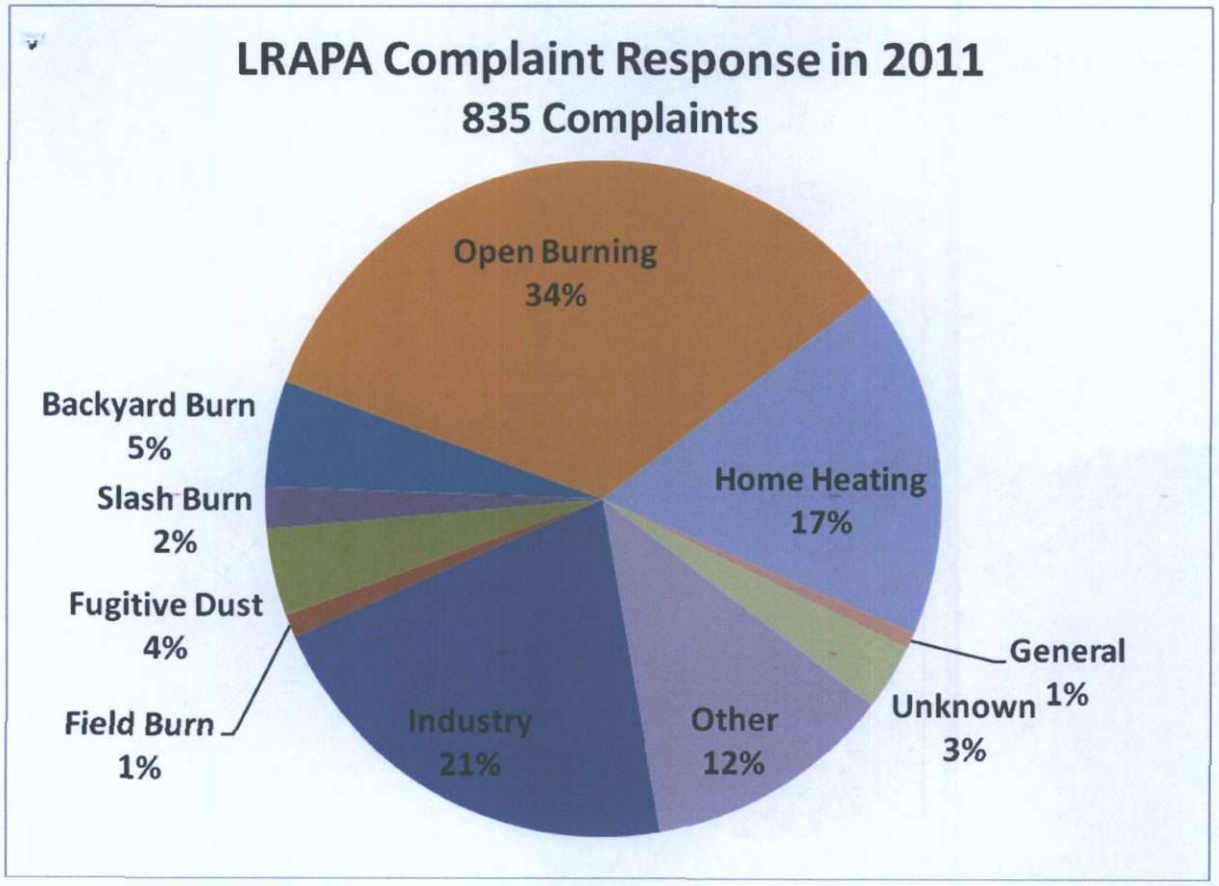
UGBs, $56,676
Oakridge, $135,078
Cottage Grove, $40,503
Rest of Lane, $104,287
Springfield, $92,279
Eugene, $251,887

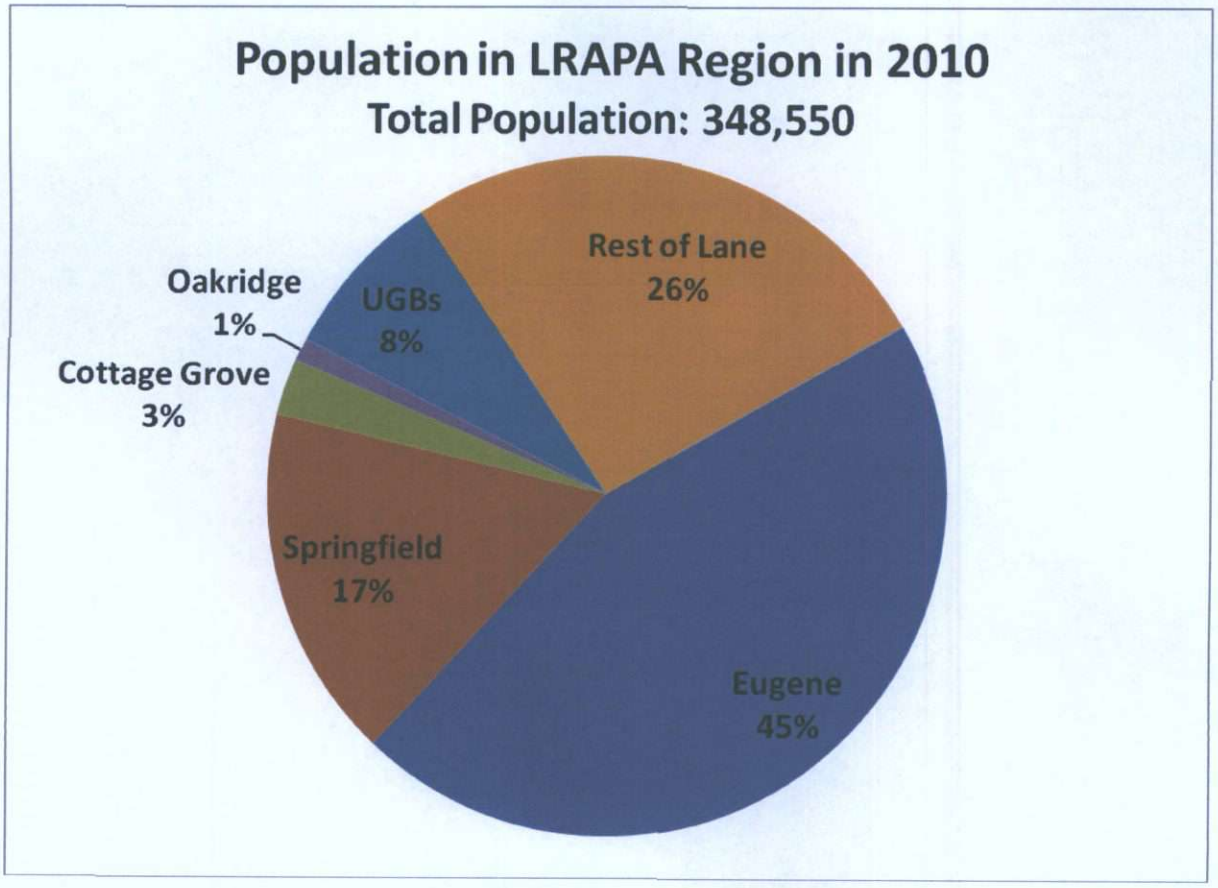

Monitoring and Reporting in 2011-2012
$379,507
UGBs, $14,952
Rest of Lane, $17,943
Oakridge, $128,060
Cottage Grove, $28,151
Eugene, $152,017
Springfield, $37,934

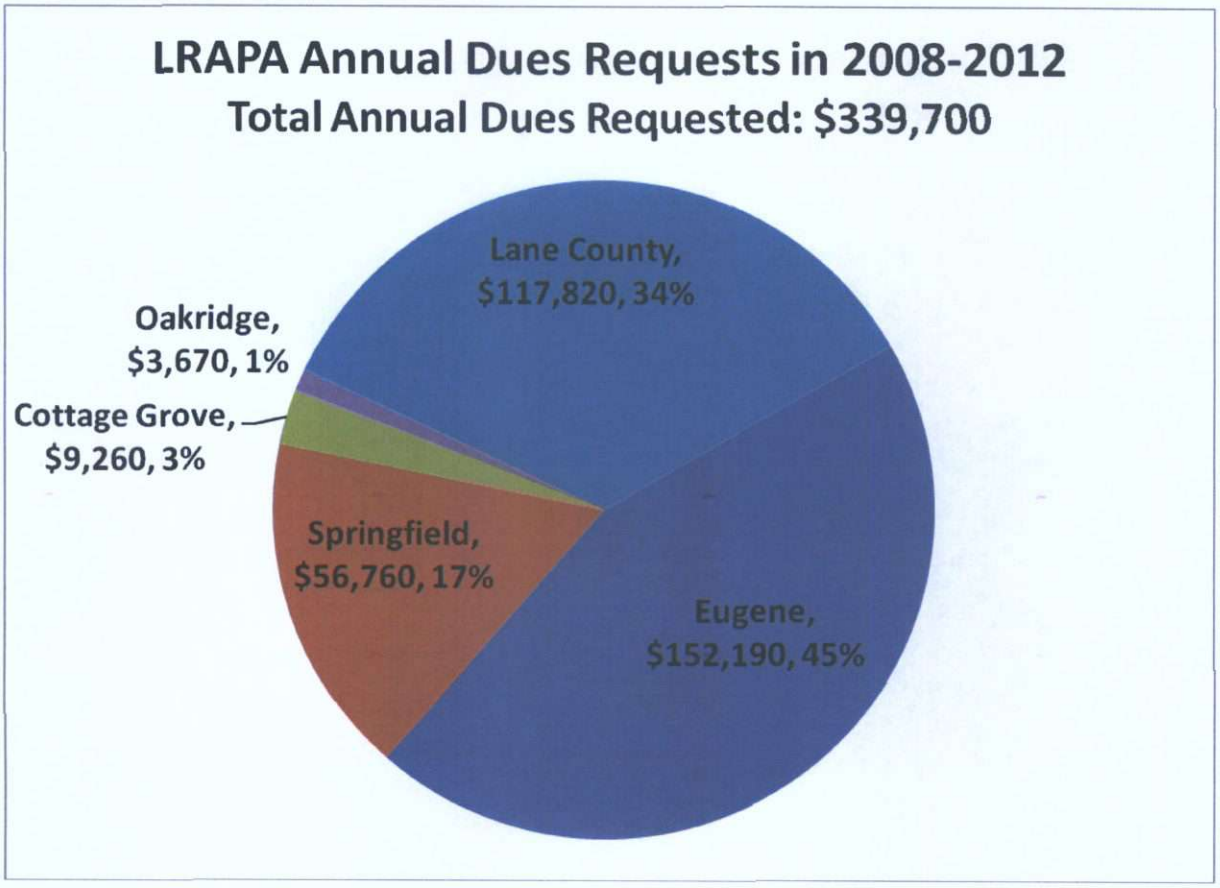

Monitoring and Reporting in 2011-2012
$379,507
Carbon Monoxide 0%
Ozone 9%
Air Toxics (PM Speciation) 12%
Particulate Matter PM2.5 56%
Meteorological 12%
Particulate Matter PM10 11%


LRAPA Complaint Response in 2010-2011
1,565 complaints in 2-year period
Rest of Lane 28%
UGBs 13%
Oakridge 2%
Cottage Grove 5%
Springfield 13%
Eugene 39%


LRAPA Complaint Response in 2010
730 Complaints
Backyard Burn 5%
Open Burning 32%
Home Heating 9%
Slash Burn 1%
General 0%
Fugitive Dust 4%
Field Burn 0%
Other 11%
Unknown 2%
Industry 36%


LRAPA Complaint Response in 2011
835 Complaints
Open Burning 34%
Home Heating 17%
General 1%
Unknown 3%
Other 12%
Industry 21%
Field Burn 1%
Fugitive Dust 4%
Slash Burn 2%
Backyard Burn 5%


Population in LRAPA Region in 2010
Total Population: 348,550
Rest of Lane 26%
UGBs 8%
Oakridge 1%
Cottage Grove 3%
Springfield 17%
Eugene 45%



MLH:mlh (03/16/2012)

LRAPA
Lane Regional Air Protection Agency

1010 Main Street
Springfield, OR 97477

Phone: **(541) 736-1056**
Fax (541) 726-1205
1-877-285-7272
www.lrapa.org
E-mail: lrapa@lrapa.org

April 9, 2012

Mayor Christine Lundberg and City Council
City of Springfield
225 North Fifth Street
Springfield, OR 97477

RE: LRAPA – Springfield Partnership

Dear Mayor and Council:

The Lane Regional Air Protection Agency recently completed the 2011-2012 woodstove replacement project, and here is a quick review.

A total of 217 old polluting woodstoves were replaced with cleaner, more energy-efficient heating systems in the Oakridge, Cottage Grove, Eugene and Springfield areas using $411,992 in federal grant funds for homeowner rebates. The replacement units chosen by the homeowners were:

- 144 new certified woodstoves or pellet stoves;
- 63 electric heat pumps (all except two were the newer technology ductless heat pumps); and
- 10 natural gas stoves, boilers or furnaces.

The number of participants and the total rebates by city were:

City	Participating Homes	Total Rebates
Cottage Grove	8	$12,000
Eugene	94	$139,500
Oakridge	79	$201,992
Springfield	36	$58,500

The $411,992 in rebates generated total sales to local businesses of $840,067 (with $316,262 of these sales by Springfield-based businesses, as outlined in the first attachment).

This woodstove replacement project is a very useful addition to the other local home wood heating programs that have been successfully implemented in recent years. These programs have been critical for keeping the Eugene, Springfield and Cottage Grove areas ahead of progressively tighter national health standards for particulate matter. Even with the special airshed challenges in Oakridge, it appears that LRAPA and Oakridge are on track to meet the EPA-2006 particulate standards there by the 2014 deadline.

The attached graphs illustrate our progress to stay ahead of the progressively more protective health standards. Meeting the national air quality standards is not only important for protecting public health and the environment, but also for economic development by making it more flexible for businesses to locate or expand here.

Sally Markos and I would be happy to discuss any of these programs with you in more detail at a future City Council Meeting or Work Session.

Sincerely,

Merlyn L. Hough, Director
Lane Regional Air Protection Agency

Enclosures:

1. LRAPA Wood Stove Changeout Program Numbers By City and Business.
2. Air Quality Trends in Cottage Grove, Eugene, Springfield and Oakridge.

LRAPA Wood Stove Changeout Program

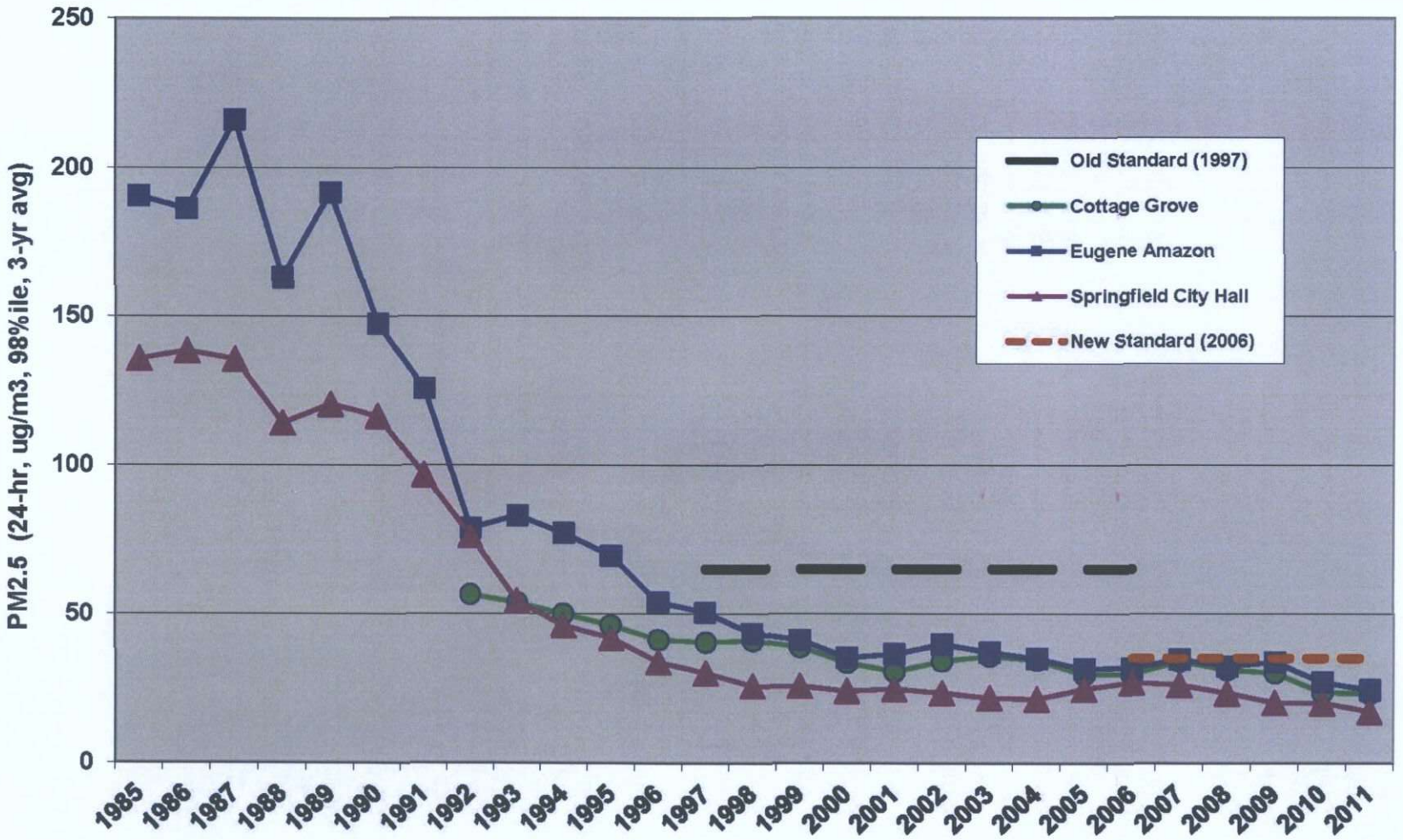
Business	Location	Rebates	Sales*
Ambassador Piping	Springfield	$52,662.58	$89,471.00
Good Deal Metal	Springfield	$71,700.00	$100,890.00
Jco Heating	Springfield	$9,699.00	$17,657.00
Marshall's	Springfield	$21,500.00	$56,884.00
Sunset Heating	Springfield	$6,000.00	$8,050.00
Comfort Flow Heating	Springfield	$14,000.00	$43,310.00
		$175,561.58	**$316,262.00**
Associated Heating	Eugene	$44,058.00	$60,298.00
Automatic Heat	Eugene	$44,000.00	$111,165.00
Beymer Heating	Eugene	$4,000.00	$7,994.00
Coastal Farm	Eugene	$11,000.00	$26,860.00
Emerald Pool & Patio	Eugene	$59,692.87	$134,912.00
Home Comfort	Eugene	$10,000.00	$31,290.00
Innovative Air	Eugene	$2,000.00	$3,510.00
MDK Construction LLC	Eugene	$1,000.00	$1,000.00
Lowes	Eugene	$6,000.00	$18,369.00
Midgleys	Eugene	$12,000.00	$45,336.00
Mountain Meadow Homes, Inc.	Eugene	$11,698.08	$13,217.00
United Garibay	Eugene	$2,000.00	$5,754.00
Viking Sewing	Eugene	$23,882.00	$45,080.00
		$231,330.95	**$504,785.00**
Welt Elements	Cottage Grove	$3,000.00	$6,634.00
Outstanding Rebates and Sales		**$2,100.00**	**$12,386.00**
TOTALS		**$411,992.53**	**$840,067.00**

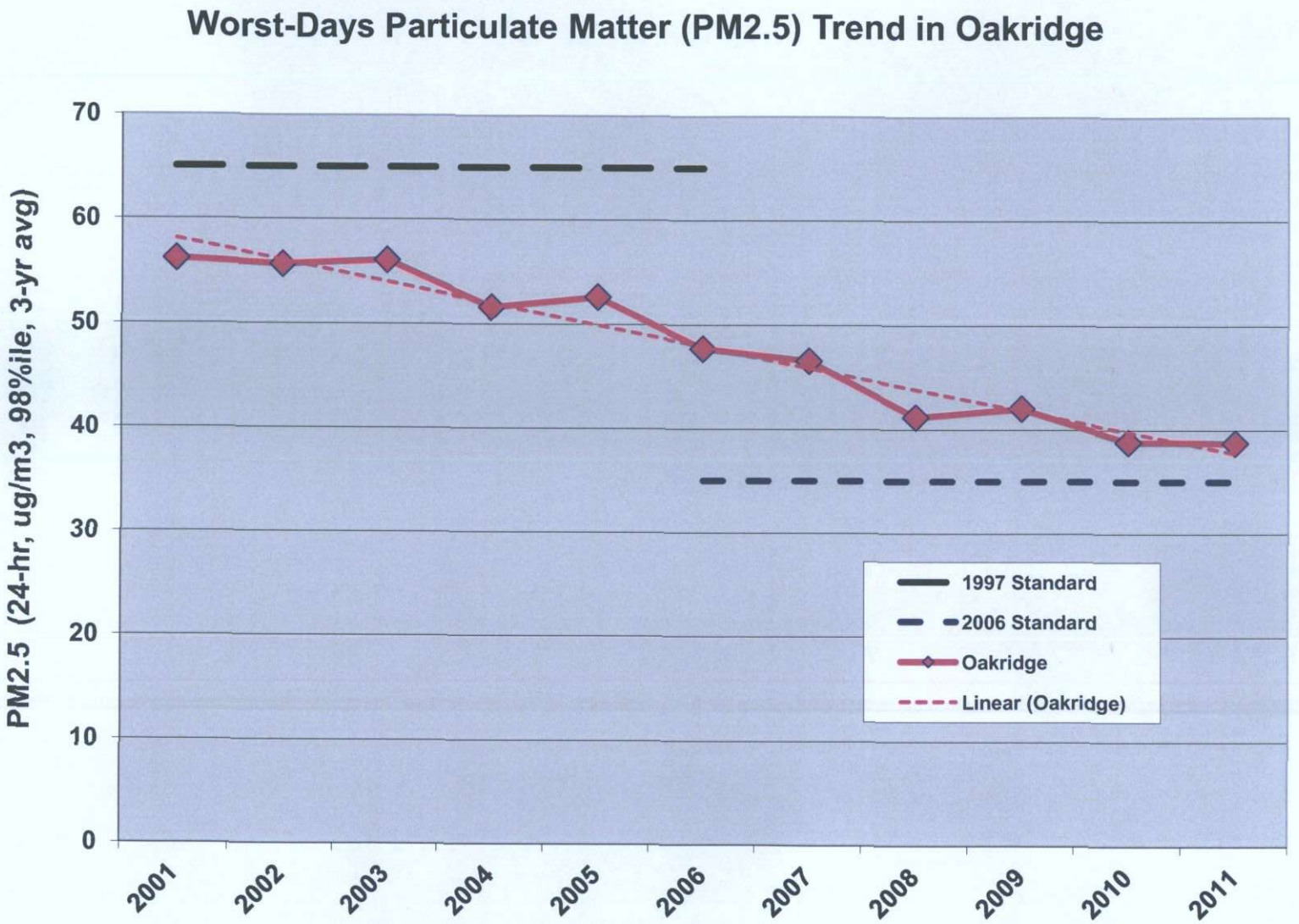
*** some sales do not include installation costs**

Rebates by City	# of participants	Total amount
Cottage Grove	8	$12,000.00
Eugene	94	$139,500.00
Springfield	36	$58,500.00
Oakridge	79	$201,992.00
Total	217	$411,992.00

MLH:mlh (4/6/2012)

Respirable Particulate Matter ($PM_{2.5}$) in Lane County




Worst-Days Particulate Matter (PM2.5) Trend in Oakridge
PM2.5 (24-hr, ug/m3, 98%ile, 3-yr avg)
70
60
50
40
30
20
10
0
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
1997 Standard
2006 Standard
Oakridge
Linear (Oakridge)