

CITY OF SPRINGFIELD, OREGON

City Manager's Office



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It is my pleasure to present the City of Springfield's proposed Fiscal Year 2024 (FY24) budget.

In Oregon, cities are required to adhere to the state's local budget law, a group of statutes that requires local governments to prepare and adopt annual or biennial budgets following a very specific process. Budget laws have been written to accomplish these objectives, including:

- Setting standard procedures for preparing, presenting and using budgets for most of Oregon's local governments;
- Encouraging citizen involvement in the preparation and deliberations of the budget before it's formally adopted;
- Providing a method for estimating expenditures, resources, and proposed taxes; and
- Offering a way of outlining the programs and services provided by the local government, and the fiscal policies used to carry them out.

Preparing a budget allows a city to look at its needs while considering the funds available to meet those needs. In Oregon, all local governments must produce a balanced budget, meaning that the resources and requirements are equal.

The City of Springfield employs a conservative yet realistic approach to budgeting. When creating projections and estimates, the City uses multiple data sources to develop scenarios that are as close to "real time" as possible. We believe this methodology results in a more accurate representation of the City's financial condition.

We experienced a healthy increase in assessed value (AV) in FY23 of 7.4% over the previous year, well above our projection of 3.0%. This increase in assessed value is due to strong growth in both the industrial and housing sectors. Industrial AV growth has been driven in part by the impact of inflation on the valuation of materials & equipment, along with a significant enterprise zone exemption coming back onto the tax rolls. Housing sector AV has been impacted by significant development, such as the Marcola Meadows subdivision, resulting in the addition of new residential units being added to the tax rolls.

For the upcoming fiscal year, the primary driver of expenditures will be the anticipated increased personnel costs due to inflation and a competitive labor market. Springfield continues to have very lean staffing levels and this budget includes some appropriate additions to meet needs in both administrative and service areas.

The following table outlines those additions to the FY 2024 budget.

Department	Change	FY24 Add	Fund Source
Public Works	Add five FTE Maintenance Technician Apprentice positions to address deferred maintenance of Storm and Sanitary Sewer facilities.	\$ 423,194	Stormwater and Sanitary Sewer Operations Funds
Human Resources	Add Management Analyst to provide employee training coordination.	118,874	General Fund
Human Resources	Add Performance & Learning Management software. This will allow for tracking of professional development and performance evaluations.	43,000	General Fund
Police	Add an annual contribution to an equipment replacement reserve to allow for future replacement of the jail's security system.	27,500	Police & Jail Levy Fund
Library	Add Materials & Services and temporary staffing budget for the Springfield Museum.	10,000	Transient Room Tax Fund
Total		\$ 622,568	

Looking Ahead

It is important to be vigilant regarding the issues and needs that impact the future of the City. The following are some of those issues:

Eugene Springfield Fire: The cities of Eugene and Springfield operate within a combined structure for fire services. Last year, the Eugene Springfield Fire Governance Review Panel began its review of the department's structure. The Panel has not yet completed its process for this very complex issue. For more information on the Eugene Springfield Fire Governance Review Panel, please visit [Governance Review Panel | Eugene, OR Website \(eugene-or.gov\)](#).

Fiscal Stability: Although the addition of ARPA funding created a short-term buffering effect, for the long-term, the City of Springfield's structural imbalance within its General Fund remains. The City has retained the Center for Public Service (CPS) at Portland State University to research the fiscal stability of the City and make recommendations to address this issue. CPS has experience in conducting similar research for local government in Oregon and will provide their expertise and academic rigor to the project.

Police: The City is fortunate to have the support of the Springfield community, who renewed the existing five-year levy of \$1.40 per \$1,000 of assessed property in November, 2023. Thank you for your support of public safety in our community!

Although the Police Department has made progress in hiring, sworn staffing levels remain at about 75% of capacity. There is great demand for new recruits and increased competition among police departments in the labor market. This issue is exacerbated by losing officers due to retirement or leaving law enforcement.

Every year, City employees show incredible professionalism and commitment to our community. Check out some the accomplishments that the Mayor outlined in his State of the City Address ([2023 State of the City Address - City of Springfield Oregon \(springfield-or.gov\)](https://springfield-or.gov/2023-State-of-the-City-Address)). I want to acknowledge the two employees that Mayor Van Gordon recognized as Employee of the Year for 2023:

- Niel Laudati, Assistant City Manager
- Kristina Kraaz, Assistant City Attorney

Congratulations Niel and Kristina on this well-deserved honor. Springfield is fortunate to have you here.

Preparation of the budget is a team effort. I would like to give special thanks to Nathan Bell, Neil Obringer, Niel Laudati, Chaim Hertz, and Mary Bridget Smith for the leadership role they have played in the preparation of this budget. I also want to thank the City's Department Directors and administrative staff who helped develop the budget.

I formally submit the Fiscal Year 2024 budget for your consideration.

Nancy Newton
City Manager