

MINUTES OF THE SPECIAL REGULAR MEETING OF  
THE SPRINGFIELD CITY COUNCIL HELD  
MONDAY, JANUARY 12, 2004

The city of Springfield council met in special regular session in the Council Meeting Room, 225 Fifth Street, Springfield, Oregon, on Monday, December 8, 2003 at 7:30 p.m., with Mayor Leiken presiding.

ATTENDANCE

Present were Mayor Leiken, City Councilors Ballew, Fitch, Woodrow, Lundberg, Malloy, and Ralston, and Willakenzie Rural Fire Protection District Board Members Ray Phillips, Ray Hoiland, Ronald Snow, James Bloomer and Lee Sidney (by conference phone). Also present were City Manager Mike Kelly, Assistant City Manager Cynthia Pappas, City Attorney Joe Leahy, City Recorder Amy Sowa, WFD Attorney Steve Cornacchia and members of the staff.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Mayor Leiken.

PUBLIC HEARING

1. Joint Public Hearing with Willakenzie Rural Fire Protection District (WFD) Board Members Regarding Willakenzie Fire District Intergovernmental Agreement (IGA).

Mayor Leiken welcomed the WFD Board members.

Councilor Fitch declared that there could be a potential conflict of interest. The insurance company that she works for does insure public entities. She has contacted two legal sources that have read case law and because insurance is a class, there would be competition. She does not deem this to be an actual conflict, but wants to state that her company could potentially compete for the fire district's business as would a banking entity.

Assistant City Manager Cynthia Pappas presented the staff report on this item. Ms. Pappas reviewed the process the city has gone through over the last two years in researching a fire district. The Willakenzie Rural Fire Protection District (WFD) passed a resolution which requests the Lane County Local Government Boundary Commission to approve annexation of the corporate limits of the City of Springfield into the boundaries of the WFD. The Council adopted a Resolution in support of the Willakenzie proposal. Elements necessary for such support include a determination that this action is consistent with the Comprehensive Plan and an IGA that accounts for all personnel and capital matters associated with this transfer.

On November 17, 2003 Council held a public hearing on annexation of the City of Springfield to the Willakenzie Rural Fire Protection District and continued the public hearing to December 8, 2003. A total of fourteen citizens testified; three submitted written testimony.

Following the December 8, 2003 public hearing, Council approved a Resolution to move forward with annexation to the WFD. Section 3 of the Resolution passed by Council states "This Resolution is based upon the assumption that city staff has or will reach agreement with the Willakenzie Rural Fire Protection District for the transition of Fire and Ambulance Protection Services to Willakenzie Rural Fire Protection District that is satisfactory to the Common Council,

and that such agreement shall be embodied in an Intergovernmental Agreement between the City of Springfield and Willakenzie Rural Fire Protection District which shall be subject of a public hearing and council review on January 12, 2004, prior to the Boundary Commission Public Hearing on the annexation request.”

City Staff, ESCI Consultant Jack Snook, Springfield City Attorney Joe Leahy, and Willakenzie’s Attorney Steve Cornacchia drafted an IGA pursuant to the Annexation Resolution. The draft IGA is attached for the public and council to review. Ms. Pappas said the city has had excellent cooperation with the WFD Board and their attorney. There are three remaining issues in this agreement. The first issue is regarding Public Employees Retirement System (PERS) integration. WFD needs to apply to become a Tier One PERS employer in order for the firefighting staff and fire and life safety staff to continue their PERS status. They are continuing to work with PERS to resolve this issue, but it is likely they will not have that answer prior to the February 5 Lane County Boundary Commission meeting. Mr. Kelly said they did receive a verbal yes, but are waiting for confirmation.

Ms. Pappas said the second issue is regarding governance. Currently, the WFD Board members represent the area outside the Springfield city limits. The attorneys for the City of Springfield and the WFD are communicating regarding this issue. It may not need policy direction on the part of council.

Ms. Pappas said the third issue is regarding buildings and land. The negotiating team has not yet reached agreement on the issue of the disposition of the buildings and land.

Attachment II delineates repair and restoration priority work at the fire stations. The IGA must cover the disposition of the fire stations, either through a transfer to WFD or by remaining with the city. At issue is the condition of each station at the time of transfer/non-transfer.

Ms. Pappas said staff turned in the application to the Lane County Boundary Commission (LC BC). The city has until January 23, 2004 to supplement that application with additional information and additional issues that are resolved on the IGA.

Mr. Leahy referred to Attachment 1, page 5, paragraph 5 included in the agenda packet. The last sentence is incorrect. It should read as follows: *“The Board will interview the recommendations of the City Council and may interview other district residents prior to appointment.”* He said the governance paragraph recites the law as it exists now. There is no preference for any citizen living within the city boundary. It is only a requirement that the Board interview the city resident in the event of a vacancy. It is not a requirement that they appoint the city resident, only agree to interview them in the event that there is a position filled by appointment. There is no requirement for anybody to be appointed. If someone does resign and if there is a position filled by appointment, the wording in this document reads that the Board is agreeing to provide an interview. The Board is not agreeing to the appointment.

In negotiating regarding this language, there is no intent by anyone to make any unfavorable comment at all about the Willakenzie Board. The language is a reflection of the fact that their attorney had informed the city that some people were contemplating retirement. The city was simply trying to build that contemplation of retirement into the document. The issue for the Council is that there is now a lack of preference as it is presently written. There is an opportunity to be interviewed and to be appointed in the event of a vacancy. There is an opportunity to run

for office when the ORS provisions provide for it, and there is the initiative, referendum, and recall.

Regarding the Boundary Commission, Mr. Leahy talked to Paula Taylor, Lane County Boundary Commission, this afternoon. She would like a copy of this document tomorrow to go out with their initial materials to their people. It would be a place holder, not the final document.

Mayor Leiken welcomed the WFD Attorney, Steve Cornacchia.

Mayor Leiken opened the public hearing.

1. Fred Simmons, 312 South 52<sup>nd</sup> Place, Springfield, OR 97478. Mr. Simmons spoke in opposition of the Willakenzie Fire District Annexation. He referred to the IGA, included in the agenda packet, Section B which states “WHEREAS, District’s annexation of all Springfield territory into District may free up the potential taxing authority to Springfield to provide basic services.” He said that seems to be the major issue. He is glad council has raised the issue of governance as well. Selection of board members is at large within the district and no preference can be given to city residents. The agreement sites nothing regarding the City of Eugene component and the effect this annexation may have on Eugene. He discussed the taxing authority for both Springfield and Willakenzie and the revenue neutral status this implies. He discussed the legal issues regarding the capital bond issue in regard to the lands and buildings. He suggested the proponents of the district initiate the election in order to bring this forward to the voters in a timely manner. If opponents were to refer it, they could delay it to a September election. Mr. Simmons appreciates all of the work done on this issue, but he remains opposed to the annexation because in the long run the revenue neutral process will be bypassed and an increase in taxes will be necessary.

Mayor Leiken closed the public hearing.

Councilor Ballew asked about placeholders in the draft and when a more finalized copy could be obtained.

Ms. Pappas said some of the issues may be resolved tonight and others will remain unresolved for a time.

Mr. Leahy said they are working on the issues as quickly as possible. Some of the Human Resource and PERS issues are being worked on by staff and PERS. It has been difficult because WFD is not a PERS employer at this time. Both the City of Springfield and Willakenzie want certainty.

Councilor Ballew referred to Attachment 1, page 10, included in the agenda packet which discusses non-PERS employees.

Human Resources Director Mr. Spiry said none of the employees are non-PERS employees, but some are part-PERS employees. He is working to maintain the retirement they currently have with PERS. This is a place-holder until they have that information.

Mr. Cornacchia said the WFD Board’s intent is to insure the current employees transfer to the WFD with a seamless transfer. They need a significant amount of information in this area. In the event they are not able to determine that City of Springfield employees would not be negatively

impacted regarding retirement benefits, the WFD and council would be in a position to ask the Lane County Boundary Commission to make this decision a year later. In this case, the annexation would occur in 2005 rather than in 2004. WFD would like to maintain those public positions. The final IGA may have something written into it to that effect.

Mr. Kelly said the Lane County Boundary Commission (LCBC) has the authority to pass this, but not have it become effective for up to ten years. If we cannot come to terms on these issues, we may testify to have the final order on July 2005. This would give more time to resolve these issues. If no resolution is found on these issues, we could re-approach the LCBC between now and July 2005 and ask that order to be amended or rescinded. Tonight is a chance for the City Council and Willakenzie to come to certainty on these issues.

Mayor Leiken asked to discuss the issues.

Mr. Cornacchia said there may only be one, if the council accepts the staff created language on governance, which is in line with the majority of the district's board. That language states that the change in the make-up of the board would occur through the natural selection of elections. There would be two positions open in 2004 and the other three positions would be open in 2006. Within one or two years there would be a complete turnover in the board. If those elections occur post annexation, they would be open to all citizens in the district, including Springfield. The language regarding an appointment refers to a situation where one of the current board members resigns.

Councilor Ballew asked when the newly elected board members would start their term of office. Mr. Cornacchia said the election would be held in May 2004 and the term would begin in July 2004.

Discussion was held regarding the statement "operating condition, fair wear and tear excluded" in Attachment 1, page 10, section 9.2 regarding vehicle s, apparatus, equipment and maintenance.

Mayor Leiken asked for a poll from council on the governance issue.

Councilor Ballew is concerned that an election this year would not allow Springfield residents to be included.

They discussed the issues regarding governance and the board's residence. Mr. Phillips had written a letter regarding these issues that was distributed to council. Precedence is being set tonight.

Mr. Cornacchia noted a correction in the election dates. The next election would take place in May 2005 with the board member's term beginning July 2005, followed by the election in May 2007 with terms beginning in July 2007. He discussed the change in the board's responsibilities over the last few years as they have learned more about fire districts. The knowledge they have gained could be valuable and give some continuity in the board. Following the election in 2005, there would still be three members with that background knowledge.

Mayor Leiken discussed board transitioning. Council needs to make that decision. The current board is capable and he would accept whichever choice council makes. This is a big issue. The decision made by council needs to be relayed to the Lane County Boundary Commission.

Councilor Fitch said initially she was not sure of this proposal, but now sees the benefit of retaining a number of board members. She noted the ORS statutes that relate to this topic. This does make sense and she would accept this option.

Councilor Woodrow asked if any members of the WFD are residents of Springfield.

Mr. Phillips said they cannot be residents of Springfield as the district is structured now, although several members of the board own or manage property in Springfield

Councilor Woodrow said the current board is very capable. He confirmed the first two positions would come up for election in May 2005, taking office in July 2005. He asked when the next change in board members would occur. Mr. Cornacchia said that would occur in May 2007. Councilor Woodrow said if the annexation didn't occur until 2005, it might be a compromise to ask that one position be appointed to a Springfield resident until the 2007 election.

Councilor Malloy said we couldn't say that one Springfield resident could be appointed. We could ask that one board member step down and a Springfield resident could be interviewed.

Mr. Kelly said city law dictates that there are five members on the board. Council could discuss this and ask that a board members resign in that situation, but there are no guarantees a Springfield resident would be elected.

Councilor Fitch asked if the Board would consider that option in the event of a one year delay.

Mr. Phillips said he feels like a resident of Springfield and is puzzled why there is such concern of leaving the members intact even if it went two years. He asked if the Boundary Commission would allow an exception to allow Springfield residents to run for election if there was a delay in annexation. Mr. Leahy said he did not believe an exception could be made because of statutory requirements.

Councilor Ballew said there is not a concern of whether or not the current board is qualified or good people. She discussed the taxing of the citizens of Springfield and maybe some of the language regarding remaining tax neutral needs to be amended to include possible delays.

Councilor Malloy agrees with Councilor Ballew. This revolves around the taxing issue. Asking that Springfield residents have a certain number of seats on the board could be a bad precedent to set as we look to other jurisdictions joining in the future. If there is a delay, he is comfortable extending the tax neutral for two years. Then it is no longer a taxing issue.

Mayor Leiken asked Steve Cornacchia to restate the election dates.

Mr. Cornacchia said there would be two positions up for election in May 2005 with terms beginning in July 2005. There would be three positions up for election in May 2007 with terms beginning in July 2007.

Councilor Ralston said he could support this if it were to remain tax neutral through the three years until the levies expire. He discussed the perception of Springfield residents if a taxing authority that was not representative of Springfield were to raise taxes.

Mayor Leiken reminded the council and the board they need to resolve the governance issue and then move on to the lands/buildings issue.

Mr. Cornacchia said during negotiations, they did not anticipate full resolution of these issues tonight. Tonight is a chance for a full discussion on these issues. Councilor Fitch and the WFD Secretary/Treasurer could poll their members and bring their proposals to negotiations.

Councilor Fitch asked if council could accept the changes made by Mr. Cornacchia.

Councilor Ballew agreed with the language, but wanted it tied in with taxing neutrality discussed in Attachment 1, page 14, paragraph 27 of the draft agreement until elections are past.

Mr. Cornacchia said that paragraph has a lot of other issues tied in with it. He said the WFD Board has agreed to tax only at the \$2.44/per thousand rate in the first year. By doing this they are acknowledging that they are not budgeting anything for reserve. This is with the expectation that in the second year, they would have to raise the tax levy rate the following year in order to build a reserve. He discussed tax neutrality for the first year and the need for the Fire District to increase their tax rate in the second year in order to function properly. The city can maintain a three year moratorium on how they utilize the levy money, but the district may choose to make an increase. They are separate.

Mr. Leahy said if the issue is representation without taxation, then it doesn't apply to the city. Mr. Leahy discussed the old Springfield charter regarding having a City Council participant at SUB meetings. He said that idea didn't work at that time.

Mr. Phillips said that several current board members do own and/or manage properties in Springfield and are cognizant of the tax situation in Springfield. There would have to be some tax increases in the future. The issue should be whether or not the current board members are sensitive to these issues. He is comfortable with the changes in paragraph 5 of Attachment 1, page 5 in the agenda packet.

It was asked if the election dates could be changed. They cannot.

Mayor Leiken said Councilor Fitch would speak individually with councilors to get their opinions on the governance issue and relay that to the negotiating team.

Mayor Leiken opened discussion regarding the land and buildings.

Mr. Kelly discussed the current stations and the conditions of those buildings. He attended the negotiations meeting and indicated to Mr. Cornacchia the option of leasing the stations to WFD. He outlined the maintenance and repairs that would need to be made. The city would need to make these investments regardless if the city annexed into the fire district or not. This proposal would allow the city to keep the property and lease it to WFD for \$1/year. Mr. Cornacchia received input from the WFD that they would like the properties turned over to WFD as responsible parties for these properties. Mr. Kelly discussed Mr. Simmons' testimony regarding the fire station that is still being paid off by a general bond and the legal issues regarding the city's ability to donate that to WFD. He said it is up to council to make a decision on what would best for the future of the WFD and the Springfield citizens that would be a part of the district.

Mayor Leiken asked if the issue of transfer of lands and buildings was a deal killer.

Mr. Snow said the board voted unanimously to ask that the buildings and land be transferred to WFD. They are not asking for this transfer as the district is today, but as the district would be including Springfield. The citizens of Springfield ultimately own the property and they would be part of the WFD. The Fire District would be responsible to maintain the buildings. The WFD may in the future relocate some of the stations, and they would need the leverage of being able to sell the properties to facilitate future purchases. The Willakenzie Board did not ask to annex Springfield, rather the City of Springfield asked the Willakenzie Board to annex them into their district. The board represents the constituents equally, whether they live in Springfield or not.

Mr. Phillips suggested a compromise. On pieces of property with an outstanding levy, those could remain in the City of Springfield until the levy is paid and then transferred to WFD. The same people paying the levy are the people using the stations now and after the annexation.

Councilor Fitch handed out information from Jack Snook of ESCI which outlined reasons for retaining ownership. She discussed some of the positions other districts took on this issue. She said there may not be a right or wrong answer, but the majority of those transferring to a district do retain the property and lease it to the district.

Mr. Kelly clarified that these properties would be transferred, not donated as previously stated, to WFD. He noted the board would like to step into the shoes of the councilors and take the responsibilities for the fire stations that go along with that, such as repairs or remodeling. If the city transferred the lands and buildings to WFD, the responsibility for maintaining and repairing those buildings would be the districts.

Mr. Phillips said that when this started it was to be a whole package and the land ownership was an integral part of that package. He feels it would be equitable that if the land were transferred to the WFD, the district would take care of repairs.

Councilor Ballew said fire station #5 is not ours to transfer because of the bond.

Mr. Duey concurred. The building is the issue, not the land.

Councilor Ballew said the city residents still own the property and would not be willing to transfer it to the WFD. She is in favor of retaining ownership of the land/building, but working out an agreement regarding upkeep.

Councilor Malloy agreed with Councilor Ballew and would support the lease option after the city brought the buildings up to standards.

Councilor Woodrow agreed with Mr. Snow regarding the fact that it is the same people, same fire department and same citizens. It would just be that Willakenzie would now be operating the fire department instead of the City of Springfield. If the district does not receive any of the property and they need to build a new station, they would have to raise taxes to build that building. If the city keeps the property and has to do the repairs, we may have to raise taxes to complete those repairs. The stations would still belong to the citizens of Springfield. He would not have a problem with the transfer if WFD was responsible to make repairs.

Mayor Leiken asked if there had been discussion on whether or not the WFD and city would work together when new stations need to be built. He discussed areas of possible growth such as

Natron and Glenwood. There needs to be cooperation as these situations arise. Whether the property is transferred or leased, the goal is service. An increase in taxes would have to come sometime if a new station needed to be built. He asked if a clause could be included stating that after a certain amount of years, the property would be transferred to WFD. He asked if that would suffice for council and the board.

Councilor Fitch said she could consider that if it was expanded to include language that stated that as future development occurred, we could work out a transfer at that time. She discussed options of trading property for buildings. The city could lease the lands/buildings for \$1/year for five to ten years and then transfer them to the district.

Mayor Leiken asked if that is something the board would consider.

Mr. Kelly said it has not been discussed in negotiations. Of the five fire stations the city owns, the station on 5<sup>th</sup> and M Streets would need to be relocated further downtown to serve folks in Glenwood. Mr. Kelly supports recommending to council that the city make the repairs to the buildings and leases the five buildings to WFD. If and when the district needs the value of the property on 5<sup>th</sup> and M Streets for relocation, the city could transfer that value to WFD. The other four stations are adequate at this time, but may need to be relocated in the future. He would like to have this issue resolved before it goes to the Lane County Boundary Commission.

Mr. Phillips referred to Attachment 1, page 4, Sections 3.1, 3.2, 3.3 and 3.4 which discusses the issue for extending fire protection to new areas.

Mr. Cornacchia said the fire district would not have the same authority as the city council in areas such as system development charges to build assets to offset the costs of new buildings. That is why they would like to have the assets of the lands and buildings. They could issue bonds if needed for building new stations.

Discussion was held regarding the decline in the Emergency Medical Services (EMS) funds.

Mr. Bloomer said the lease versus transfer issue sounds like a viable solution, but the board should speak on this amongst themselves.

Mr. Leahy said a possible solution to the governance issue would be to allow a Budget Committee appointed by the Springfield City Council.

Councilor Ballew said there is merit in what Mr. Kelly said regarding transferring assets at a later date. There can be compromise.

Mr. Cornacchia said they still have negotiations regarding dollar amounts.

Mayor Leiken thanked the board for their willingness to come to this meeting.

Mr. Cornacchia said he would work with the WFD board to schedule another meeting in about ten days. This would give council a chance to discuss these issues as well.

Councilor Fitch asked if a motion needed to be made regarding this issue. It did not.

Discussion was held regarding Attachment 1, page 27, exhibit D which discusses the intergovernmental council.

Mr. Hoiland asked about the insurance rate.

Chief Murphy said Springfield is currently an ISO (Insurance Services Office) Class 3. The city will be reapplying to ISO for a review for improvement of rating based on the addition of a fire engine crew 24 hours at the 28th & Centennial fire station. This ISO rating applies to all areas currently within Willakenzie Fire District.

Councilor Fitch said there was interest in looking at formation of a budget committee prior to elections. She said she understood council would like an Executive Session regarding land issues in the next week.

ADJOURNMENT

The meeting was adjourned at 9:05 p.m.

Minutes Recorder Amy Sowa

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Sidney W. Leiken  
Mayor

Attest:

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Amy Sowa  
City Recorder