

City of Springfield
Work Session Meeting

MINUTES OF THE WORK SESSION MEETING OF
THE SPRINGFIELD CITY COUNCIL HELD
MONDAY, JANUARY 12, 2004.

The City of Springfield council met in a work session in the Library Meeting Room, 225 Fifth Street, Springfield, Oregon, on Monday, January 12, 2004 at 5:32 p.m., with Mayor Leiken presiding.

ATTENDANCE

Present were Mayor Leiken and Councilors Ballew, Woodrow, Lundberg (5:55 p.m.), Fitch, Ralston, and Malloy. Also present were City Manager Mike Kelly, Assistant City Manager Cynthia Pappas, City Attorney Joe Leahy, City Recorder Amy Sowa and members of the staff.

1. Joint Meeting with the Springfield Arts Commission.

Mayor Leiken introduced the Arts Commission Chair, Janelle McMahan. The remaining members of the Springfield Arts Commission introduced themselves. Present were Sandra Dominguez, Judith Macomber, PJ Sargeant, Scott Wylie, Eleanor Palm, John Keskinen and Nada Zawadony. Arts Commission member Don Durland was absent. Barbara Thompson is the staff liaison for the Arts Commission and works in the Springfield Public Library. Ms. Thompson said tonight's joint meeting is to share information and discuss common goals and issues of interest.

Ms. Thompson said the purpose of the Arts Commission is to promote the arts in Springfield. The commission does this by providing opportunities for performances, events and exhibits for artists and by educating the community on the importance of art in Springfield. The Arts Commission has been in existence for 17 years and began with the charge of creating Art Alley. It has expanded into a very active organization that has accomplished many things with a very limited budget. She said the opportunities for exhibits and displays are the Art Alley, the City Hall Gallery and the Luigi Testa Sculpture gift. Art education is Youth Arts Workshops, the Puppet Festival and Heritage Arts Grant.

Ms. Sargeant said Art Alley has been in existence for some time, with the most notable of the murals being the Oregon Trail Mural painted on the east wall of the Emerald Art Center. The newest mural is across from Emerald Art Center. She said that there is "A Walk of Art" for citizens to view the many forms of art in the downtown area. Ms. Thompson handed out the "A Walk of Art" brochure to council and Arts Commission members. Ms. Sargeant said the Arts Commission has discussed some other locations for possible murals and is considering the elevator wall.

Ms. Thompson said the Arts Commission no longer has an Art Alley budget. She distributed a brochure on the Oregon Trail mural to council and Arts Commission members. The Luigi Testa Sculpture Gift could also be incorporated in Art Alley as a sculpture garden if the boundaries were expanded.

Mayor Leiken asked if the Arts Commission had discussed where the expansion of Art Alley might be located in order to include the Luiga Testa Sculpture.

Ms. Sargeant said along the Pioneer Parkway Walkway is a preferred site for some of the Luiga Testa Sculpture. They are looking at ways to fund placement of the pieces.

Ms. Thompson said there is no timetable when the pieces need to be presented, so the Arts Commission has continued to lend them to different businesses in the community until a permanent place can be found.

Councilor Ralston asked how large the pieces were and the number of pieces.

Ms. Thompson passed around a notebook which showed the sculptures. There are 24 pieces, with some of those having multiple pieces. Discussion was held regarding placement of these pieces and the issue of vandalism. The pieces are quite sturdy and heavy, which makes them difficult to steal. Ms. Palm discussed other cities which display these types of sculptures. Ms. Thompson said there has been relatively little graffiti or vandalism done to the murals.

Ms. McMahan described how these pieces were obtained as a gift. Mr. Testa has no ties to the Arts Commission, but has a friend in the area who told him Springfield had a commitment to public art. She also discussed how these pieces are being lent out to different businesses at this time. The value of the pieces is approximately \$97,000.

Discussion was held regarding the new Springfield Station which is planned for completion in August 2004. Mr. Black said they spoke with LTD regarding placement of some of these pieces at the new station on Pioneer Parkway.

Ms. McMahan thanked Maintenance Manager Ed Black and his staff for their assistance in moving these pieces to the different locations in the community.

Ms. Zawadony spoke regarding the Puppet Festival. She said all commission members work together to make this a fine event for the community. The festival features performances by renowned, professional puppeteers as well as children's workshops. Ms. Zawadony described the work involved in putting on this festival. This event is attended by people from our community and outside communities.

Arts Commission members discussed the festival and the joy it brings to the families of Springfield who attend. All of these events are free.

Ms. Thompson said the Puppet Festival is a joint operation with the Museum and the Library Youth Services Department. About 1200 people attend this event. It is very unique and is the only Puppet Festival in the Pacific Northwest. They have outgrown the space at the senior center and look forward to holding this event in the Richard E. Wildish Theater in the future.

Ms. McMahan discussed the Youth Arts Workshop and the workshops offered. They have held programs such as the Nutcracker (in years past), watercolor classes, Chinese painting and other rotating programs. These workshops target middle school students and are also free.

Mayor Leiken asked how many youth are able to participate in these programs.

Discussion was held regarding the number of children participating at the different events.

Mayor Leiken asked about the budget of the Arts Commission.

Ms. Thompson said it is between \$50 and \$200 per event, depending on the workshop and the number of hours it runs. Discussion was held regarding the cuts in the Arts programs in the schools.

Mayor Leiken asked if the Arts Commission had solicited the private sector to get additional funding for these projects. He would like to encourage them to solicit private citizens throughout the metro area to be involved and increase their budget.

Ms. McMahan said that has been a topic of conversation during their meetings. Part of the purpose of lending the Luigi Testa sculpture pieces to businesses is to get their interest. Budgets for the Arts are decreasing in the schools and public entities.

Mr. Keskinen said the Arts Commission has discussed this issue for about a year and they now need some type of list of possible contributors.

Mayor Leiken noted some local businesses and private parties who may be interested in supporting the Arts Commission and the youth programs they provide.

Ms. McMahan said Lane Arts is another resource.

Councilor Ballew suggested sponsorship for specific projects.

Ms. McMahan said they have received some sponsorship for part of the Puppet Festival from Pacific Continental Bank. Discussion was held regarding acknowledgment of those who sponsor these events.

Ms. Zawadony said they offered a free performance to see the Mozart Players with the option of donating toward the performance. They received a good amount of money from that event.

Ms. Sargeant discussed the City Hall Art Gallery and the benefit for the location of this display area. The artists that display their work are given the option of having a reception before or during their show. No commission is received by the Arts Commission. This is a service of the Arts Commission and is always changing. There are wonderful shows in this area including three dimensional works in the display cases and the open lobby area.

Mr. Wylie discussed the Springfield School District exhibit in March of each year in celebration of Youth Arts Month. This has been a successful exhibit and has been going on for a number of years. This exhibit allows students to display their artwork in a public location.

Discussion was held regarding the display and the benefit of having it change frequently. There are a diverse number of displays.

Ms. Palm discussed the Heritage Arts Grant program. She said they received eleven requests for grants this year and awarded ten. She described the projects and materials paid for by these grants. She said they were not able to give the full amount requested by everyone, but were able to spread the funding around to many groups.

Ms. Thompson said the Arts Commission would be coming to the council regarding placement of the Luigi Testa sculptures in the future. They discussed the Wildish Theater and the prospect of a cultural district, including the Library, the Emerald Arts Center, the Theater and the Museum.

Councilor Fitch asked if there would be a possibility of talking with the Arts Commission regarding a possible mural for the front of the Wildish Theater. It was suggested the theater contact the Arts Commission for assistance with that project.

Councilor Fitch thanked the Arts Commission members for their dedication.

Councilor Woodrow encouraged the Arts Commission to contact him as council liaison if they would like to discuss anything with him.

2. Contract for 3rd Party Plan Review and Inspection Services for PeaceHealth RiverBend Project.

Councilor Malloy excused himself from discussion on this item due to a conflict of interest regarding his employment with PeaceHealth.

Community Services Manager Dave Puent presented the staff report on this item. Mr. Puent said when the RiverBend project was first proposed, the city considered providing planning review and inspection services in-house by hiring additional staff. After studying this option for several months, it was determined to contract for the services as a cost-savings to the city. In October 2003, the city requested proposals from qualified State of Oregon Registered 3rd Party Plan Review and Inspection Agencies to perform plan review, project administration and on-site inspection services related to the proposed construction of the PeaceHealth's RiverBend Project. Five firms submitted written proposals. After evaluating the proposals, three firms were selected for interviews. At the conclusion of the interviews and subsequent follow-up site visits to several jurisdictions where the finalist has performed similar type work, the Selection Committee composed of city management staff recommended CLAIR for this contract. CLAIR was found to have a clear understanding of the scope of the project requirements, a highly competent/experienced staff and a well-defined plan for accomplishing the multitude of tasks associated with this project.

The proposed contract provides for work to begin in late January of 2004 and continue through February of 2007. Total cost of the contract for this period, including all hourly personal service charges, indirects and reimbursable costs to CLAIR will not exceed 85% of the total building permit fees paid to the city. Building permit fees are computed on the overall valuation of construction. Based on a project value of \$270 million, the minimum estimated permit fees to the city are approximately \$1.8 million (excluding plumbing electrical and mechanical permit fees). A Not-To-Exceed (NTE) amount is proposed as an alternative to the customary flat-fee amount to not only allow the contractor to be reimbursed for actual cost for providing these services, but for the city to capture potential cost-savings should the actual costs be less than the NTE amount. CLAIR will submit monthly invoices to the city for all work performed, including any other monthly costs authorized under the contract. Mr. Puente said the scope of services is described in Attachment II, page 2, included in the agenda packet.

If the Master Plan and/or any other subsequent required approvals are not obtained from the city or any outside agency that would not allow the proposed project to go forward, the contract with CLAIR and the city can be terminated immediately.

Councilor Ballew said according to the chart in Attachment II, page 21 of the agenda packet, it looks like the work is being done by the same few people. She questioned if there was enough staff. She also referenced the other people listed on Attachment II, page 19, included in the agenda packet.

Mr. Puente explained why each person had several positions and functions. This is a timeline and as they finish one project they would go on to work on the next. Many are cross-certified and can perform different inspections. The chart shows who is the primary person for each function and the people listed on Attachment II, page 19, show the individual inspectors and their hourly rate.

Councilor Lundberg asked if this is the first time the City of Springfield has contracted out this type of work.

Mr. Puente said this is the first time we have contracted a 3rd party for this scope of work.

Mr. Kelly explained that in the past we have hired temporary staff or used current staff to work on a specific project.

Councilor Ralston asked if the hourly rates listed on Attachment II, page 19, in the agenda packet were accurate for these positions. He feels the city could do this work for much less.

Mr. Puente said that they researched using city staff, including benefits, overhead and indirects and using a 3rd party provider was less expensive. Some of the issues with using city staff include finding the qualified staff to perform these services and hiring them as full-time employees only to terminate them after three years. The original proposal was based on using in-house staff.

Councilor Woodrow asked about the company's insurance. He asked who would be liable if something went wrong with the building after it was built and it was found to be inadequately built or not properly inspected. He questioned whether or not it could come back to the city.

Mr. Puente said that would be determined in a court of law. Part of the contract includes a \$3M insurance policy carried by the CLAIR Company. They are responsible and certified by the State of Oregon.

Mr. Leahy referred to Attachment I, page 15, paragraph 13 of the contract included in the agenda packet relating to that question. In this paragraph it states that "To the fullest extent of the law, Independent Contractor shall defend, indemnify and hold harmless CITY, its officials, employees, servants, and agents from and against all claims, demands, and judgments (including attorney fees), made or recovered against them including but not limited to damage to real or tangible personal property or for bodily injury or death to any person, arising out of, or in any manner connected with the performance of this Agreement by Independent Contractor, its officers, employees, and agents." He said there is no guarantee, but there is protection through this contract. He said in the negotiation of this agreement, there is no back-up that would limit their negligent acts. There would be no question of whether or not they were negligent. It would be arising out of their actions.

Mr. Kelly corrected his statement regarding overhead and indirect costs being included in these figures. Those costs would be charged separately. It is up to council to direct staff to bring forward more information if they do not feel comfortable with this contract.

Councilor Ballew said she is not surprised by the costs. She asked if this company has done comparable work.

Mr. Puente said this company just completed a hospital in Medford that was several hundred thousand square feet. He noted other large projects they have been involved with.

Councilor Lundberg said if these people have expertise in this area, it makes sense to hire them to take on this project. She is comfortable supporting this contract.

Councilor Ballew asked if Mr. Puente and PeaceHealth Project Manager Carole Knapel would have additional support staff to deal with their additional work.

Mr. Puente said there is proposed funding in the PeaceHealth contract to hire additional clerical assistance for the city. He said details on how the additional staffing would be utilized have not been determined.

Mayor Leiken asked if contracting for a third party service is something the city may do more of in the future.

Mr. Puente said third party contracting for plan review and inspections is still fairly new, and was only considered due to the scope of the project. He does not see it as something that will be used more in the future. He said the city has outside agencies available to help with plan reviews, but have not needed to utilize those services.

Councilor Woodrow asked if this contract had been reviewed by PeaceHealth and if they had a preference in how the services were provided.

Mr. Puent said there have been discussions regarding permit inspection services with PeaceHealth, but not this particular contract. He said he believes their preference would be to have a third party plan review contract.

Councilor Fitch commended staff for finding this alternative to get the job done at a lower cost. This is a much larger project than the city has been involved with in the past and it will be beneficial to have the expertise this company can provide. It will allow city staff to remain focused on city business and is an efficient use of funds.

Mr. Kelly said there was an executive session scheduled later this evening to discuss some issues that had arisen regarding labor contracts, but those issues were resolved during meetings with the concerned parties. There is no longer a need to hold the executive session because of this resolution.

3. Intergovernmental Agreements.

Assistant City Manager Cynthia Pappas presented the staff report on this item. Each year staff prepares a budget that includes ongoing financial commitments with several metro area partner agencies. This work session provides an opportunity for council to discuss the level of funding that might be considered for each of these contracts, before the draft budget is finalized.

The FY 04 Budget contains \$316,365 (General Fund) and \$10,000 (Street Fund) in funding for a variety of services provided through IGA's with metro area partner agencies. For many years, the Council and Budget Committee have chosen to increase the contracts at the level requested by each partner agency, based on cost-of-living increases or a formula-driven increase, such as population growth. In recent years, the choice to increase the funding levels in these contracts has become increasingly difficult while at the same time, the council has had to reduce city staff and hold materials and services expenditures flat.

Ms. Pappas said this discussion is a reminder to council of the partner agencies the city has contracts with and pays dues to. She said a Budget Committee meeting is scheduled for January 27 and more detail regarding the proposed budget will be discussed at that time. There are seven intergovernmental partner agencies; some are contract based, some are dues based and some are assessment-based. Normally these are brought to council at their first budget committee meeting in May, but this is a chance to discuss these now to provide direction to staff regarding these funds. She referred to the chart on Attachment 1, page 1 included in the agenda packet, listing the amounts budgeted in the '04 budget to these agencies. She discussed the amounts, how they are calculated and how they are funded. The dues or contract amounts may increase.

Councilor Fitch said many of these are based on population and/or a formula. She asked if the city had input on how the formula is calculated.

Ms. Pappas said we typically do not. George Kloeppe from LCOG explained the formula to those who attended a recent Springfield, Eugene, Lane County (SEL) meeting. He told the three partners that there may be increases. Discussion was held between the partners regarding whether or not maintaining the fees would be possible because of the budget constraints each agency is facing.

Councilor Fitch said she is concerned that the city has no input into these formulas.

Ms. Pappas said the formulas are consistent from year to year.

Councilor Lundberg said she has a desire to know more about each agency. Each agency has a different way of using the funds they are given. She discussed the money given to both Lane Council of Governments (LCOG) and Metropolitan Policy Committee (MPC), both LCOG functions. She said some agencies use LCOG heavily and she would like to know what the City of Springfield is buying with the general contribution. Using population based formulas may not always be equitable regarding services used. She said the same is true with Human Services Commission (HSC) and the formula they use. It may be part of the city's advocacy on how we would like our contribution used or the calculation of the fees. She would like to see that information before going into the budget discussion/decision-making process.

Ms. Pappas referred to Attachment IV, included in the agenda packet. The work activities for LCOG are defined in that attachment. She asked what additional information council would like to see regarding these services.

Councilor Ballew said it needs to be determined what we should be doing and what we can stop doing. These agencies have expenses to budget and the council needs to make a policy decision on how we will allocate money for certain services. She discussed the League of Oregon Cities (LOC) and the benefits of that agency, but recognized that if the city can no longer afford their services, that decision needs to be made. We cannot expect them to receive less money and provide the same level of services to the city.

Councilor Fitch discussed the Lane Metro Partnership and the lack of services they have provided for Springfield. She would like to look at that agency and consider leaving the task of economic growth to in-house staff. She would like to notify the Lane Metro Partnership that these things are being considered and council and staff should have serious discussions about that issue. We are in the first year of a three year contract period; however, the contract is renewable each year. We do have the option of no longer funding this agency.

Mr. Kelly said he has prepared a letter to send to all outside agencies, with notice being given to them that we are in a tight budget year and there could be cuts. If council approves distribution of this letter, he would like to have this letter go out this month. The agencies would not, then, be caught unaware in April or May when the Budget Committee reconvenes. As the Chamber President, he met with the Springfield Chamber of Commerce executive board and the leadership team of Lane Metro Partnership to discuss these issues. The Lane Metro Partnership plans to give the Chamber their work plan showing they will be doing more recruiting.

Councilor Malloy would also like to know what we are getting from each organization. If the city is not getting a return for its money, council needs to look at better ways to spend that money. He also asked if there was any duplication in services. There is not.

Councilor Ballew said she would support Mr. Kelly sending the letter to the outside agencies advising them there may be changes in funding from the city.

Councilor Lundberg discussed MPC and some of the mandated projects they support. Some of the other projects need to be examined to determine if they should be stopped or postponed until more funding is available. She would like more feedback from LOC. One thing our legislators told councilors at a past meeting was that the LOC should be working to help cities with issues as they arise. She would like to see their plan and what we are buying.

Mr. Kelly said there is a TEAM Springfield meeting on January 24, which will include a report from Ed Bergeron and the legislative session. Mr. Bergeron attended these sessions as a representative of TEAM Springfield. The local legislators have been invited to attend this meeting to give their view of the last session and what is on the horizon. That may be a good time to ask those legislators about the issues with LOC.

Mayor Leiken feels the LOC has been invigorated with the new representative. The City of Springfield may not be getting a lot of return for our money, but we may see some benefits. The larger cities are more likely to receive the larger benefits. A phone call to legislators from the Mayor or a city councilor would have more impact than having the LOC contact them. He noted some of the benefits of being associated with LOC, such as their conference and the opportunity to share with other cities in the same situation as Springfield.

Councilor Ballew said whether there are lobbyists or not, there is only a limited amount of time to get to your legislators. The value of the LOC is choosing which issues to pursue. You must choose the issues that are the most important. She feels we do get value from LOC.

Councilor Ralston said he is very familiar with two of these agencies because he serves on their boards. They are currently working on their budgets and they, too, are facing large cuts. He said the Human Services Commission (HSC) is very hopeful to retain the funding they have received in the past because there is great need. He said Lane Regional Air Pollution Authority (LRAPA) allows local control which is important to businesses. The money made by fees, stays in our area. He said we could cut funding to LRAPA without a large impact. He said they are fiscally responsible.

Councilor Woodrow asked if the fact we no longer have a member on the LOC Board would affect the services we receive from them.

Mayor Leiken said Gary Pape from Eugene took the place of Lyle Hatfield of Springfield on the LOC Board.

Mr. Kelly said it is not often that Springfield does have a representative on the LOC Board. It should not make a difference in services received.

Councilor Woodrow said he agrees with Mr. Kelly's idea of putting all outside agencies on notice. We cannot increase and need to look at possibly decreasing.

Councilor Ballew said it would be valuable to know how our city employment would be affected if we continue to fund these agencies.

Councilor Fitch asked if that could be discussed at the Budget Committee.

Mr. Kelly said at the Budget Committee meeting discussion will be held on our budget with a fire district and without a fire district. Those two scenarios will be shown to the Budget Committee and the different impacts each will have on the city organization. The service impact will also be noted at that time. Council may choose to look at these fees to outside agencies in relationship to those discussions. Council will have all the information needed at that meeting to make decisions on this issue.

Mayor Leiken discussed the Lane Metro Partnership and the disappointment in the work they have done for Springfield. Economic development is positioned the way the State is positioned. He feels we will rely on OECD Representative, Bob Warren, more than anything else. We will not be hurting in economic development if we choose to eliminate the service from Lane Metro Partnership for a year. He said the name change from Eugene/Springfield Metro Partnership to Lane Metro Partnership was not a good choice and has hurt the effectiveness of the partnership.

Councilor Fitch said perhaps tonight is not the time to make a decision on these fees and charges. She agrees the letter from Mike Kelly to the outside agencies should be mailed. More information will come forward on January 27 which will help in making decisions regarding this funding.

Councilor Ralston said of the money received by HSC, half is from Community Development Block Grant (CDBG) funding and the other half from the General Fund. He would like Housing Program Specialist Kevin Ko to provide information for the Budget Committee meeting on what Lane County and Eugene pay to the HSC. The amount Springfield contributes is small in comparison to what we get in return.

Councilor Lundberg said she would like the HSC to take a look at how they solicit for their contracts. They do not provide most of their own services; they are allocated to service agencies. She would like them to look at who gets chosen and how those agencies are chosen. She said the same is true with other agencies. Some changes may need to be made in this area.

Councilor Ralston said the HSC has streamlined their services already in many ways. He would like to see an itemized list of all of the organizations and what they do for the HSC.

Discussion was held regarding results based contracting and looking at results.

Mayor Leiken asked if LRAPA was the only independent air pollution authority in the state. That is correct and if they were dissolved it would be dissolved by Department of Environmental Quality (DEQ). The DEQ does have a local office in Eugene.

Ms. Pappas summarized council's request. Prior to the Budget Committee Work Session on January 27 she will prepare a communication packet memo that addresses the questions regarding the money paid to these outside agencies, how it is being used and services provided.

Mr. Kelly discussed the joint public hearing that will take place with the Willakenzie Fire District (WFD). Following the public hearing portion of the meeting, there will be a time for the council and WFD board members to discuss issues within the intergovernmental agreement (IGA).

ADJOURNMENT

The meeting was adjourned at 7:28 pm.

Minutes Recorder – Amy Sowa

Sidney W. Leiken
Mayor

Attest:

Amy Sowa
City Recorder