

City of Springfield
Regular Meeting

MINUTES OF THE REGULAR MEETING OF
THE SPRINGFIELD CITY COUNCIL HELD
MONDAY APRIL 18, 2005

The City of Springfield council met in regular session in the Council Meeting Room, 225 Fifth Street, Springfield, Oregon, on Monday, April 18, 2005, at 7:00 p.m., with Mayor Leiken presiding.

ATTENDANCE

Present were Mayor Leiken and Councilors Lundberg, Ballew, Ralston, Pishioneri and Woodrow. Also present were City Manager Mike Kelly, Assistant City Manager Cynthia Pappas, City Attorney Meg Kieran, City Recorder Amy Sowa and members of the staff.

Councilor Fitch was absent (excused).

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Mayor Leiken.

SPRINGFIELD UPBEAT

1. Recognition of Springfield Library Volunteer PJ Sargeant.

Library Barbara Thompson acknowledged PJ Sargeant, a volunteer for the Springfield Public Library. Ms. Thompson said PJ Sargeant was recognized as the Register Guard's Community Volunteer of the month for the month of March. Her story, which appeared as a full page article in the Register Guard on February 27, was very inspirational. Ms. Thompson said PJ had been a Library volunteer in a number of ways for a long time and was also married to Library staff member Brad Sargeant. Ms. Thompson introduced Janelle McMahan, Chair of the Arts Commission, of which PJ Sargeant was also a member.

Ms. McMahan said PJ Sargeant had been part of the Arts Commission since 1998. Ms. McMahan discussed the many projects Ms. Sargeant had been involved in, including helping and teaching the youth during the youth workshops.

Ms. Sargeant said it was not much and she appreciated the honor.

CONSENT CALENDAR

IT WAS MOVED BY COUNCILOR WOODROW WITH A SECOND BY COUNCILOR LUNDBERG TO APPROVE THE CONSENT CALENDAR. THE MOTION PASSED WITH A VOTE OF 5 FOR AND 0 AGAINST (1 ABSENT – FITCH)

1. Claims

- a. Approval of the March 2005, Disbursements for Approval.
- b. Acceptance of the Financial Reports for 3rd Quarter Ended March 31, 2005.

2. Minutes

- a. March 14, 2005 – Work Session
- b. March 14, 2005 – Special Regular Meeting

3. Resolutions

4. Ordinances

5. Other Routine Matters

- a. Approval of Liquor License Endorsement for 35th Street Market, Located at 1279 35th Street, Springfield, OR.

ITEMS REMOVED FROM THE CONSENT CALENDAR

PUBLIC HEARINGS - Please limit comments to 3 minutes. Request to speak cards are available at both entrances. Please present cards to City Recorder. Speakers may not yield their time to others.

- 1. Fiscal Year 2005-2006 Community Development Block Grant and Home Investment Partnership Program Recommended Funding Allocations.

Housing Program Specialist Kevin Ko presented the staff report on this item. The Springfield Community Development Advisory Committee (CDAC) has reviewed proposals and prepared CDBG and HOME funding recommendations for the FY2005-2006 program year. The recommendations are being forwarded to the City Council for consideration and approval. The CDAC's funding recommendations are consistent with Springfield's local funding priorities and identified community development needs as documented in the Eugene-Springfield Consolidated Plan.

The City of Springfield is allocating \$760,547 in Community Development Block Grant (CDBG) funds and \$756,676 in HOME Investment Partnership (HOME) funds to develop viable urban communities. The amount available consists of a FY05-06 CDBG grant of \$700,547 plus \$60,000 CDBG program income, and a FY05-06 HOME grant of \$465,325 plus approximately \$275,000 HOME program income and reprogrammed funds from previous years. Also included in HOME is \$16,351 the city will receive from HUD under the American Dream Down payment Incentive (ADDI). Selected projects and services will provide decent, safe and affordable housing for persons of low income; a suitable living environment, and economic opportunities for persons of low and moderate income.

At a public hearing on January 25, 2005, the CDAC recommended set-asides totaling \$405,191 for CDBG and \$226,150 for HOME for the following activities: City administered housing programs, grant administration and planning, social service programs administered by the Intergovernmental Human Services Commission and operating assistance for area Community Housing Development Organizations (CHDO). The City Council also authorized a reservation of 28% of the annual CDBG allocation to be used for activities that reduce or eliminate blighted conditions in the Downtown Revitalization Area. This amount is \$168,131 for FY05-06.

Requests for Proposals were issued on January 28, 2005, for \$187,225 of general CDBG funds, \$530,526 of HOME funds and \$168,131 of Downtown Revitalization funds. The deadline for completed proposals was March 18, 2005. The city received 16 requests for funding totaling \$1,350,247. The Springfield CDAC held a Public Hearing on March 31, 2005 to hear testimony, review proposals and develop funding recommendations. The CDAC recommends funding of 13 proposals, fully expending the available funds.

The CDAC also recommends increasing the Springfield Home Ownership Program (SHOP) per/unit assistance from \$4,000 to \$6,000 (please see Attachment 3 in the agenda packet). This increase will allow the SHOP to continue to be a viable option for first-time home buyers. The CDAC funding recommendations are being presented for council's review and approval.

Mayor Leiken opened the public hearing.

Mr. Ko said he received a late phone call from KEZI News, part of Chambers Communication. The reporter who called informed Mr. Ko that Chambers Foundation wanted to make it absolutely clear that they did not authorize a grant of \$45,000 to GoReap. There is currently no commitment or letter of intent to fund from the Chambers Foundation as indicated in GoReap's application.

1. Paul Lewis, Lockout Crime Project, 344 A Street, Springfield, OR Mr. Lewis represented the Lockout Crime Project. Mr. Lewis said he was here to speak on behalf of this program which had received CDBG funding in the past. He said \$18,000 was allocated in 2003, \$16,500 in 2004 and \$8,200 for 2005. He said the average cost of installation is \$120 per job site. They are anticipating 260 calls for service for financially qualified CDBG aid. Of these calls, 187 victims are victims of sexual assault or domestic violence based on the statistics from the past four years. He said \$8200 would fund security for approximately sixty-eight of the high risk victims. In addition, nearly 50 calls for service from victims of theft or burglary were anticipated, which would also qualify for CDBG funded aid. Due to the substantial cut in the CDBG funds, they would not be able to respond to those calls at all. They would not be able to respond to CDBG eligible pro-active calls for service. He said he would like to state that every program council would hear from tonight was a worthy cause and would promote the quality of life of those they served. The Lockout Crime Project was not a program of quality of life, but of life itself.
2. Terry McDonald, 3063 Whitbeck Boulevard, Eugene, OR Mr. McDonald represented St. Vincent DePaul. He said he supported the St. Vincent DePaul application and funding for this year. He noted that St. Vincent DePaul had a proposed five story building on Main Street. Council passed a portion of that funding last year. He believed this was a very important project for the downtown and the community. It could jump start the commercial and residential portions of the community that have been blighted in the last few years.
3. Hanalei Rozen, 1551 B Street, Springfield, OR Ms. Rozen said without council's assistance in the past two years, the Brattain Elementary Playground would not have been able to come so far. She said she was the Grounds Improvement Coordinator at Brattain Elementary. She said the Brattain Schoolyard Neighborhood Park was on the edge of downtown and served people from farther than just the neighborhood. She said she was asking council to reconsider the CDAC's recommendation to allocate \$20,000, and give additional funds to

allow them to complete the play structure. She discussed the benefits of play structures and the deteriorating condition of the current play structure. If the necessary funding was allocated this year, the play structure would be complete by the fall of this year. If not, they would continue their efforts so they could build a good structure that would last for a long time and would benefit all ages of children. She said there were approximately 260 children who used the playground each day and the number of children would continue to grow.

4. Serena Swenson, 759 Mill Street, Springfield, OR Ms. Swenson said she was before council as an independent representative of the children that are associated with GoReap. She said these children come on their own to the soup kitchen located at the American Legion. She said she was concerned about these children. She brought some photos which showed the work she was doing with these children. She said the application by GoReap was to put together a day care, a Hope Center, for the children in the MeadowPark area. She said she would hope to continue to teach and work with these kids at a better facility. She said she wanted these children to know that even if they made mistakes, they could come to a place of acceptance and know there was a hope for a better future for them. She said she appreciated the time before council and thanked the Mayor for his response to her letter. She thanked council for their consideration of this application.
5. Tina Novack, 2162 Loch Drive, Springfield, OR Ms. Novack represented GoReap, Inc. She said she esteemed the Mayor and council as those chosen by God to lead Springfield. Springfield had been and would continue to be blessed by God. She noted that the mistakes GoReap made on their application were not intentional. As the president of GoReap, she took full responsibility and would withdraw their application if the council chose. She asked that the council re-evaluate the application process in the future. No one should expect a hand-holding, but a simple phone call would have been nice. She asked if their application was the only one that had received such scrutiny. She said it appeared someone's personal agenda had overruled the appointed committee for this process. She said this was about God's plan for the innocent children and struggling families in the MeadowPark neighborhood. She said they were the ones, along with every taxpayer in Springfield, who would suffer the most. She said this was not the first time she had to overcome a mountain that appeared to be insurmountable, but GoReap would overcome this and the Children's Hope Center would be built.
6. Sandy Halonen, 775 Monroe Street, Eugene, OR Ms. Halonen represented Neighborhood Economic Development Corp (NEDCO). She thanked council for the money allocated to NEDCO last year. She shared photos of the two homes NEDCO was able to build with those funds and the families who were able to move into the homes. The photos also included the work crews and eight other families that moved into their homes. She said NEDCO had requested funds for four acquisition rehabs, as it was more cost effective than building new homes on bare land. She said she appreciated council's support and hoped NEDCO could find four wonderful houses for Springfield.
7. Gary Ross, 832 Jannette Court, Springfield, OR Mr. Ross represented Willamalane Park and Recreation District. He thanked council for their consideration of their request to provide \$50,000 in CDBG funds towards the replacement of the boiler at the Memorial Building. He said this \$110,000 project would replace a fifty year old system, allowing Willamalane to continue to use the building to support both non-profit and public agencies for another fifty years.

8. Steve Manela, 1640 G Street, Springfield, OR. Mr. Manela represented the Human Services Commission (HSC) and Community Health Centers of Lane County. He said on behalf of the Board of Community Health Centers of Lane County and the Human Services Commission, he thanked the CDAC for the recommendation to support their proposal to purchase \$25,000 worth of medical equipment for the RiverStone Clinic in Springfield. He said they had been blessed by the council and others in the community who have been very helpful to them and have been able to serve over 5000 patients over the last year. He said they looked forward to serving more in the future. He also mentioned that at the Human Services Commission, discussion was held regarding the city's support of human services in the county. He distributed a letter from Bobby Green, Chair of the HSC.
9. Roxie Cuellar, 739 South 70th Street, Springfield, OR Ms. Cuellar said last year she sent a letter regarding issues with the GoReap project. She said this year she voted on a compromise to allocate them some funding, but she said she did still have issues with their application. She said she did not have a personal agenda other than to make sure the project was viable. She said she built a house with donations every year and she described the costs involved. New construction required a lot of cash and that was her issue regarding this project. She was concerned that it would not get the adequate funding and if it was started, they would not be able to get the funding to get it finished. She said she did not have any issues with the daycare center or with GoReap. Her issue was solely the concern that the application did not adequately address the costs needed. She said it could take about \$150,000 cash to start the project, plus cash for construction. The basis for her concern was the experience she had with this type of project.
10. Richard Willis, 3875 Jasper Road, Springfield, OR He said he was newly involved with GoReap and needed to find out what had been going on. He said according to KEZI, it was implied that Tom and Tina Novack were getting funds in a deceitful way for their own personal use. He said he had learned that Tom and Tina Novack started GoReap years ago to feed and clothe the homeless. He said you could see what type of people they were. He said they had been the only funding the organization received. They purchased the property and fixed it up at their own expense so they would have a place to clothe and feed those in need. The Novack's let GoReap rent the facility to accomplish this and had paid all expenses. They saw a need for childcare and came to the City Council last year unprepared and asked for help. They were given a recommendation to get additional information to show they were more viable as an organization. He said they accomplished most of that, but were still being made to look self-serving, in particular regarding the price of the property. Mr. Willis said he checked into the price of the property and noted that it was dividable and had a two bedroom occupied home. The Novack's sold it to the organization for \$70,000. He said the media had portrayed GoReap in a negative light. He said he had been proud to be a resident of Springfield, but this process had tainted his pride. He thanked council for the opportunity to speak.

Mayor Leiken closed the public hearing.

Councilor Lundberg asked Mr. Ko to provide the council with the information she had received from Mr. Ko regarding GoReap's application.

Staff retrieved that information and distributed copies to the other council members.

Mr. Kelly said Councilor Lundberg called the Friday before and asked to have city staff look at the GoReap application and cost out the estimated costs of permits under a normal circumstance. She wanted to see how well that number in the application corresponded with the city's fee system. Staff had provided that information to Councilor Lundberg.

Councilor Lundberg said it was pertinent to the discussion regarding all of the applications and the GoReap application in particular.

Councilor Woodrow asked how many members were on the CDAC.

Mr. Ko said there were eight members and one member was absent during the meeting to consider the funding allocation.

Councilor Woodrow asked about the decisions and how they were made.

Mr. Ko said the committee listened to testimony from each applicant during a public hearing. After the public hearing, the committee deliberated in front of everyone, weighed the pluses and minuses, asked questions of the applicants, and then made their decisions.

Councilor Woodrow asked if each proposal was voted on separately and if they all passed unanimously.

Mr. Ko said they were voted on separately, but he could not recall if they all passed unanimously.

Councilor Lundberg said there was only so much money to distribute, so recommendations were made for reductions and modifications to nearly all applications. She further described the process. The CDAC worked very hard, but understood they were the recommending body only and the council would make the final decision.

Mayor Leiken noted that council appointed the members on the committee and council would make the final decision. There had been years that council had been supportive of certain projects. He noted some of those projects.

Councilor Ballew asked how much CDBG funding went to bricks and mortar and how much went to social programs.

Mr. Ko said fifteen percent of the CDBG allocation received by the city went to public services. That was taken off the top and was given to the Human Services Commission (HSC) for redistribution. Everything else was eligible for bricks and mortar.

Councilor Ballew asked about a request from Lane Micro Business for training.

Mr. Ko said it was an economic development activity, not a social service. He explained that the Lockout Crime was a housing activity, although it did provide a service.

Councilor Ralston asked if the city had a mechanism for checking on those who received funds to make sure the funds were used appropriately.

Mr. Ko said the recipients of the grant money must submit invoices. The CDBG funds were then used to pay those invoices and those were checked over carefully. Ineligible costs would not be paid. There are CDBG and HOME contracts.

Councilor Ralston asked Mr. Lewis about the Lockout program. He asked Mr. Lewis if the \$8200 the CDAC had recommended for this program was not enough.

Mr. Lewis said the \$8200 did represent a substantial reduction from \$18,000 several years ago. At the projected rate of \$8200, the program could secure the homes of approximately sixty-eight high risk victims of domestic violence or sexual assault, yet they were anticipating calls from 187 victims.

Councilor Ralston asked if they could accomplish what they needed to if they received the full \$16,000.

Mr. Lewis said they could with the \$16,000.

Councilor Lundberg referred to an item later in the agenda regarding the Justice Assistance Grant (JAG). She asked if those were additional moneys for the Lockout Crime Program.

Mr. Lewis said that would not be additional money, but would be money toward their goal. It would be part of what they were missing.

Chief Smith explained the amounts allocated on the list for the JAG. If the Lockout Crime program didn't reach the amount necessary, they would need to modify who received the services.

Mr. Lewis said if the program only received partial funding, they would only assist high risk victims of crime. They would not be able to perform proactive work for those that were at risk for being victimized and they would not be able to anticipate responding to calls from victims of theft or burglary as they would not be considered high risk.

Councilor Woodrow asked Mr. Ko if an applicant had to complete their project with Block Grant funds issued.

Mr. Ko said the intention was that the Block Grant funding would help the applicant to complete the project.

Councilor Woodrow asked if the applicant needed to show when a project would be completed when CDBG funds were issued.

Mr. Ko said they had asked agencies for business plans and development plans to demonstrate that the project would be completed in the fashion they represented in their application, but it was not a requirement.

Councilor Pishioneri asked Mr. Lewis what the \$120 covered.

Mr. Lewis said it would cover all locks on the front, rear and garage access. One door may be damaged or compromised and may need replacing. The funds in the Lockout program would pay

for securing the windows and providing outside lighting if needed. A door viewer could also be included.

Councilor Pishioneri asked if those that installed this equipment were volunteers.

Mr. Lewis said they were volunteers when installing this equipment.

Councilor Pishioneri asked how much they were allocated the year before last.

Mr. Lewis said \$18,000.

Councilor Ralston said he was a member of the Housing Policy Board. He said \$576,000 to rehab four low-income homes was too expensive. He said grants and federal money were not free money. Low-income housing seemed to cost too much to build and he would prefer not to support that part of the allocation. He said he knew Tina Novack and worked with her on a Thanksgiving dinner for the homeless. He said no one felt stronger about our youth and society than Tina. Even though he felt strongly about supporting something like their request, there were so many questions about the finances. He said he would like to see this work, but at this time he would have to vote it down. He agreed with Roxie Cuellar and would like to give money to a project that he knew would be done properly and completed.

Mayor Leiken referred to the request by Lane Micro Business. He asked how much the county received in video lottery funds toward economic development annually. They receive about \$800,000. He said he hoped Lane Micro Business also applied to the county for the video lottery funds. That amount of money was received and had to be spent and he felt this business was a worthy cause for those funds. He suggested giving that information to small businesses so they could apply for those funds before applying for CDBG funds.

Mr. Ko said he would pass that along. He noted that Lane Micro Business did have \$100,000 from the VIDA/IDA funds.

Mayor Leiken asked about funds received from Homeland Security and if those funds could be leveraged from that fund for Neighborhood Watch.

Chief Smith said they could apply for some of that funding.

Mayor Leiken asked Mr. Pappas to get an update on the Wildish Theater from Senator Smith's office. The city had been very supportive of this project and Mayor Leiken wanted to know if the federal government was going to assist so this project could be completed.

Ms. Pappas said she would get that information.

Councilor Lundberg said she was a member on the CDAC. She asked Mr. Ko how many years the Emerald Empire Arts Center was in the CDBG.

Mr. Ko said they received funding for four years, with five years of applications.

Councilor Lundberg recalled that the project took a number of additional years. She noted that the Theater project had been in the works for a number of years.

Mr. Ko said the City of Springfield does not receive a lot of CDBG and HOME funds. The committee tried to find the best way to spread the money allocated to many applicants.

Councilor Lundberg said it was a tough year, with more projects than money. She said the CDAC did an admirable job. She suggested looking at CDBG funding for downtown to most benefit the community. She said she didn't want GoReap to withdraw their application, but recommended not funding that project this year. She referred to the figures submitted by Mr. Ko. She had asked for those dollar amounts that would more realistically represent the actual costs to begin a construction project of this nature. She said in the figures from Mr. Ko, the amount came out closer to \$52,000 in terms of SDC and permit fees versus the \$5000 as noted on the application. She said there was not unanimous consensus from the CDAC in support of this project. She recommended moving some of the money, if not all, from GoReap to the Brattain Playground because it was a project that was near completion and was for children in a depressed area of the community. It would benefit many in the neighborhood. She said people in that area would not be able to raise the funds to complete the project. She said she had many concerns about the construction of the GoReap facility. She said there had been a MeadowPark project in the past and she suggested reconsidering and rethinking assistance in that area.

Councilor Woodrow said he had talked with Councilor Fitch about this item. He said Councilor Fitch recognized the amount of money given to the Wildish Theater and recognized the importance of completing that project. He would recommend leaving that amount alone. Councilor Woodrow agreed with Councilor Lundberg's suggestion of moving the funding from GoReap to the Brattain playground. He also wanted to take the other \$8250 for the Lockout Crime Project to bring it to full funding. He said he was supportive of jail and citizen safety.

Councilor Pishioneri said he appreciated the GoReap project. He said it was a good project for the community. He said the people involved with this project were great people with good hearts. Unfortunately, he said he concurred with Councilor Lundberg's assessment, but did not want them to withdraw their application. He did not believe anyone was looking at them as deceptive, but he did have significant concerns regarding the assessment staff had provided. He suggested they come back with additional funding sources and return next year. He said the Brattain Playground should be funded, as well as the difference made up to the Lockout Crime Project in addition to increasing the amount to \$16,000.

Mayor Leiken said when the President's budget came out, HUD was going to be eliminated or moved to Commerce. He said he appreciated those who realized that and sent letters to congressional delegates. The U.S. Conference of Mayor's stepped up and put a big push on congress to keep the HUD funds. He said the senate side was chaired by Senator Smith who had seen the positives that had occurred in Springfield with these funds. He said he hoped the applicants who were looking to leverage these dollars would pay attention to what comes in the future. He said he appreciated the letters from the community on this issue.

Councilor Ralston said he did not see an obligation to appropriate all of the money. Some of the fund could be put away to allow someone else to come in later in the year to request funding as opportunities arose. He said he would support taking the money to fully fund the Lockout Program and at least double the funding to the Brattain Playground. That would leave a balance of about \$6000 to do something else. He asked if the city was required to allocate all the money at this time.

Mr. Ko said it was not required but was an issue of fairness. He explained that the City of Springfield had always done an annual request for proposal (RFP) for funds and looked hard at applicants that came in outside of the process. He explained one such case. He said council could direct staff to put out another RFP.

Councilor Ballew said the city had a process that was fair and should be followed.

Councilor Lundberg discussed the Lockout Program and if the Justice Assistance Grant (JAG) money was available. She asked about the amount to make up the difference.

Chief Smith said the city did not have the JAG as of yet, but it was fairly assured. The reason the \$16,500 was requested was that was the cut from last year. The JAG would most likely be awarded.

Councilor Lundberg asked if the JAG funding could be reallocated to something else if funding from CDBG was allocated to the Lock-out Program.

Chief Smith said tonight's recommendation would be how the JAG money could be spent, but it could be moved around.

Councilor Ralston said council had only given Neighborhood Watch half of what they had requested. He suggested putting some of the money from the Brattain Playground Project and allocate it to the Neighborhood Watch.

Mayor Leiken noted that Chief Smith would be checking into Homeland Security funds that could be used for programs such as Neighborhood Watch.

Chief Smith said there was only \$10,000 statewide from Homeland Security to be used for citizen groups, so there would be strong competition for those funds.

Councilor Ralston said Neighborhood Watch was an important program.

Councilor Lundberg said the Brattain Playground was still her choice. She noted that the Neighborhood Watch had run on very little money in the past. She wanted to see the playground finished and would recommend assisting that neighborhood in getting that playground.

IT WAS MOVED BY COUNCILOR WOODROW WITH A SECOND BY COUNCILOR LUNDBERG TO APPROVE THE FISCAL YEAR 2005-2006 CDBG AND HOME INVESTMENT PARTNERSHIP PROGRAM RECOMMENDED FUNDING ALLOCATIONS WITH THE FOLLOWING MODIFICATION: GOREAP MINISTRY \$0, LOCKOUT CRIME PROJECT CHANGED FROM \$8,250 TO \$16,500, SPRINGFIELD SCHOOL DISTRICT BRATTAIN SCHOOL PLAYGROUND CHANGED FROM \$20,000 TO \$46,306.00. THE MOTION PASSED WITH A VOTE OF 5 FOR AND 0 AGAINST (1 ABSENT – FITCH)

Mr. Ko said there was also an issue of raising the SHOP allocation from \$4000 to \$6000.

Councilor Ralston said Springfield had made a priority of home ownership, compared to Eugene. Springfield's SHOP program was so successful that Eugene was trying to imitate Springfield and

had raised their amount to \$6000. Springfield always led that category and he would suggest raising it to \$7000 to maintain the competitive edge for ownership.

Councilor Lundberg said the \$6000 was reasonable. She asked if the policy regarding residency requirements had been changed.

Mr. Ko said that had been changed and there was no longer a residency requirement.

Councilor Lundberg supported the increase.

IT WAS MOVED BY COUNCILOR WOODROW WITH A SECOND BY COUNCILOR LUNDBERG TO ACCEPT STAFF'S RECOMMENDATION TO INCREASE THE SPRINGFIELD HOME OWNERSHIP PROGRAM (SHOP) TO \$6000. THE MOTION PASSED WITH A VOTE OF 5 FOR AND 0 AGAINST (1 ABSENT – FITCH)

2. Modifications to the Metropolitan Wastewater Management Commission (MWMC) Intergovernmental Agreement (IGA).

ORDINANCE NO. 1 – AN ORDINANCE CREATING THE METROPOLITAN WASTEWATER MANAGEMENT COMMISSION AS AN INTERGOVERNMENTAL ENTITY; DECLARING AN EMERGENCY; AND PROVIDING IMMEDIATE EFFECTIVE DATE (FIRST READING).

Environmental Services Manager and lead staff member for the regional wastewater program Susie Smith presented the staff report on this item. The attached draft MWMC IGA includes modifications proposed to update the IGA and to enable MWMC to issue revenue bonds and/or other low-cost capital financing tools. Updating the IGA is necessary to support construction of planned regional wastewater facilities improvements at the lowest possible cost to current and future sewer customers.

In 2004, MWMC, the Springfield and Eugene City Councils, and the Lane County Commissioners adopted the MWMC Facilities Plan and Twenty Year Project List. Revisions to the IGA are needed to implement the Plan efficiently and cost-effectively. The attached draft IGA represents the collective recommendations of Eugene and Springfield staff and legal counsels, MWMC Legal Counsel and Financial Advisor, and Bond Counsel for MWMC and Eugene. No further revisions have been made since the City Council reviewed this draft on March 21, 2005. The council is currently scheduled to take action on this matter on May 2, 2005.

Ms. Smith acknowledged Peter Ruffier, Director of the Eugene Wastewater Division and Dave Jewett, legal counsel for the MWMC who were present in the audience.

Ms. Smith said the changes to the IGA were reviewed by the City Council during their March 21, 2005 work session and no further changes had been made. She said the ordinance would enable the three governing bodies that create MWMC (Springfield, Eugene and Lane County) to establish MWMC as a legal entity under the appropriate Oregon Revised Statutes to enable MWMC to enter the revenue bond market and have access to low-cost borrowing. This would allow MWMC to move forward with construction of the new MWMC twenty-year facilities master plan projects with the lowest cost impact to the rate payers. The ordinance also codifies the proposed changes to the IGA. She said the changes were a result of several years of work and

many of the changes were routine update changes. Many of the changes over the last six months had been the result of bond counsel and financial advisor's review of the IGA recommending what was needed in order for MWMC to qualify as a legal entity under the statutes and to have access to the bond market.

Ms. Smith said staff could answer any questions by council. The City of Eugene held a work session on Monday, April 11 and had a public hearing scheduled for May 9 and action scheduled for May 23. Staff, legal counsel and bond counsel were having follow-up discussions following issues raised by the Eugene council during their April work session. She said the Lane County Finance and Audit Committee met twice on this issue and reviewed the IGA. That committee was made up of Commissioners Morrison and Dwyer and County Tax Assessor Jim Gangle. That committee voted unanimously to forward the IGA as proposed to the full Lane County Board of Commissioners for consideration. She noted that the ordinance referred to the IGA as Attachment A, but it was in the agenda packet in its correct form as Attachment C.

Mayor Leiken opened the public hearing.

1. Fred Simmons, 312 South 52nd Place, Springfield, OR. Mr. Simmons acknowledged the years of work the ESD staff had worked on the IGA. He referred to the clause that stated that if the rate was established, but the governing entities didn't agree on it, it would go back to the MWMC rate which would apply. He said the citizens would give up any limitation in the process. The original plant was built with bonds, and then told the city must maintain the facility. He said the citizens were now being asked to raise \$100M to update the plant. He said there were some technological questions about the facility plan he felt needed review. He noted that for the record he was in opposition of the recodification of MWMC because of the bond issue. He said the city had the responsibility to look very carefully at issues that would give up the city's right to control. He discussed the sewer plant, the dump and the issues of the plumbing codes and the growth of the city on waste stream management. He said there were concepts that should be considered regarding management of that flow stream and reducing that, decreasing the end impact.
2. Roxie Cuellar, HomeBuilder's Association (HBA) of Lane County, 2053 Laura Street, Springfield, OR. Ms. Cuellar asked the council to leave the public record open until Monday, April 25 at 5:00pm. She had items she wanted to put into writing and submit for the record. She said she had questions about the IGA. An issue with the HBA was that the IGA in essence changed how SDC's were done. State law said SDC's were to be done by ordinance or resolution. She said that meant the decision was to be made by an elected body. Under the proposed IGA, the elected bodies could ask the MWMC to reconsider if they disagreed with the rates, but MWMC would have the final say. The elected officials would no longer be making the decision. She said there could be a compromise in the IGA that could state this if a jurisdiction disagreed with the SDC's, the MPC could be an arbitrator or mediator. She said there was a concern about the SDC statutes. The statutes said that anyone who wanted to look at the methodology would have ninety days notice that the methodology would be coming out and sixty days to look at the methodology. She said this process went much quicker, and there were only fourteen days to review the methodology. Fortunately, it was still under the control of the jurisdictions, so she was still able to have the notification. She said it needed to be decided who would give the ninety and sixty day notices.

IT WAS MOVED BY COUNCILOR WOODROW WITH A SECOND BY COUNCIL LUNDBERG TO LEAVE THE WRITTEN RECORD OPEN UNTIL MONDAY APRIL 25 AT 5:00 P.M. THE MOTION PASSED WITH A VOTE OF 5 FOR AND 0 AGAINST (1 ABSENT – FITCH).

Mayor Leiken closed the public hearing.

City Attorney Meg Kieran asked if staff would like to have some time for rebuttal.

Staff said three days should be adequate time for rebuttal.

Discussion was held regarding having the MPC, which included members from Coburg and Lane Transit District (LTD), as a mediator.

Mayor Leiken said the council appointed those who served on the MWMC and those members were representative of the views of the council.

Councilor Ballew discussed the issue of the city giving up the rate setting. There had been a lot of public process regarding the facility and the new requirements regarding discharge for permit requirements. Most of the cost would go through the public process and would be paid by issuing revenue bonds. Once those bonds were issued, there would be no turning back. There would be a twenty-year commitment to pay back those bonds.

Mr. Kelly said that was correct. That had been the core issue that caused the joint staffs to spend the last six months on this issue with the HBA and other elected leaders. Lane County, Eugene and Springfield elected officials were members of the MWMC as well as citizens, that would initially set rates based on their work plan and capital budget. If resolution could not be found, the procedure would be to send it to a dispute resolution group. This group could be a separate group, but staff had intended that MPC would be used. MPC was an established dispute resolution body. The only time Coburg, LTD, the Oregon Department of Transportation (ODOT) or other organizations would be involved was when it related to transportation issues. If resolution could not be found, MPC could be used as the mediator. If resolution could not be found through MPC, it would come back to the MWMC for the final decision. The MWMC was a product of Springfield, Eugene and Lane County and members served at the pleasure of the governing bodies of each jurisdiction.

Ms. Kieran said the IGA before council had been reviewed exhaustively by bond counsel and had been changed to accommodate any suggestions. City Managers, financial advisors and legal counsel of each jurisdiction had reviewed the IGA. The result would allow MWMC to get the best bond rating possible to save the citizens money.

Ms. Smith said there were no changes proposed regarding how the MWMC and the governing bodies established and collected fees and charges. MWMC had not had a rate dispute in the last twenty-five years. The rate setting and SDC setting process was not being changed. The issue would only be at the very end if one or more of the jurisdictions could not agree and all dispute resolutions had failed. At that point, someone's decision needed to be final to maintain the obligation to the bond holders. That decision would fall on the MWMC, which was comprised of representatives from all three jurisdictions.

Councilor Woodrow asked if there was any precedence for something similar in another community.

Ms. Smith said in the years she had been involved with MWMC, there had been several entities that had sought MWMC's agreement as a model. She said she did not know if there were others structured exactly the same.

Mayor Leiken asked if the IGA would need to be amended if Coburg entered into the MWMC.

Ms. Smith said it would have to be amended to include Coburg, as would the Metro Plan.

Mayor Leiken said he understood the issues with Coburg. It would be a fairly lengthy process to include Coburg or any other community into the MWMC.

NO ACTION REQUESTED. FIRST READING ONLY.

3. Proposal to Authorize the Metropolitan Wastewater Management Commission (MWMC) to Issue Revenue Bonds.

RESOLUTION NO. 1 – A RESOLUTION OF THE CITY OF SPRINGFIELD COMMON COUNCIL APPROVING THE ISSUANCE OF REVENUE BONDS BY THE METROPOLITAN WASTEWATER MANAGEMENT COMMISSION; AND PROVIDING AN EFFECTIVE DATE. (FIRST READING)

Environmental Services Manager and lead staff member for the regional wastewater program Susie Smith presented the staff report on this item. The MWMC seeks to issue revenue bonds to provide funding for construction of regional wastewater facilities improvements at the lowest possible cost to current and future sewer customers. Oregon statutes allow intergovernmental entities (such as MWMC) to issue revenue bonds if the parties to the intergovernmental agreement approve the issuance of revenue bonds after a public hearing.

In 2004, MWMC, the Springfield and Eugene City Councils, and the Lane County Commissioners adopted the MWMC Facilities Plan and 20-Year Project List. The Plan includes capital projects with an estimated cost of \$144,000,000 (in 2004 dollars) needed to meet the sewage treatment needs of the Eugene-Springfield metropolitan area through 2025. The Plan also includes a cost-effective financing strategy, which relies on revenue bonds to fund significant portions of the facilities improvements. MWMC intends to issue up to \$100,000,000 in bonds over the next five years, with the first issuance of about \$35,000,000 scheduled to occur in September, 2005.

This planned bond sale has been included in MWMC's user rate-setting assumptions since 2004, and will require a 6 percent increase on the regional (MWMC) sewer user fees for fiscal year (FY) 2005-06. Alternatively, if the MWMC fails to issue bonds and must rely on user fee revenues to support the capital improvements, the rate increase required would be about 65 percent for FY 05-06. A public hearing to review the resolution authorizing MWMC to issue bonds is scheduled for April 18, 2005. Timely public notice has been provided in the Springfield News and the Register Guard. The council is scheduled to take action on this matter on May 2, 2005.

Ms. Smith said the MWMC Facilities Plan was adopted by all three jurisdictions and MWMC last year. This plan was forwarded to the Department of Environmental Quality (DEQ) and was approved by the DEQ. She said the changes were formally adopted by MWMC and per the elected officials serving on the MWMC, those changes would be brought to each of the governing bodies for information. Last year the issue was the plan and this year the issue was how to fund the cost of the facility. The resolution was the related issue to the MWMC IGA which would authorize the MWMC to issue revenue bonds in order to finance the facilities plan facility. She explained how the bonds were issued in Oregon. The resolution authorized MWMC to issue up to \$100M and she explained why that amount was chosen to allow a five-year schedule of projects to be financed by MWMC with one round of hearings by all governing bodies. MWMC would still need to conduct public hearings prior to each issuance over the five year view. The issue was how MWMC could do this with the least impact and best cost equity across current and future sewer users and beneficiaries of the facilities that would be built. That's why revenue bond issuing was included in the facilities plan. It would necessitate about a six percent rate increase regionally over the next three years. If the governing bodies chose not to allow bond issuance and preferred a pay-as-you-go scenario, the alternative would be about sixty-five percent rate increase regionally. The six percent increase would equal about .70 per month, per user and the sixty-five percent increase would be about \$7.50 per month, per user.

Mayor Leiken opened the public hearing.

1. Fred Simmons, 312 South 52nd Place, Springfield, OR Mr. Simmons said he was opposed. He said how much it would cost in payback to take out \$100M in bonds. Ms. Smith replied that she did not know. Mr. Simmons said with the favorable rates of today, it would most likely be less than fifty percent. He said if the money was paid up front, they would be locked into the existing CH2M Hill technology that was part of the capital plan. He discussed the evolution in sewer technology. He questioned issuing bonds and being locked into that amount. They could lose the opportunity to look at new technology as a methodology of affecting the wastewater treatment. He said there were new technologies available regarding waste stream management and infiltration and inflow (I / I) to reduce the load at the origin which could reduce the need for the plant sizing. Staff had done an admirable job, but should look to the future of sewer technology. He said it was no fault of what the staff had done, but he thought the revenue bonds should wait.
2. Roxie Cuellar, HomeBuilders Association (HBA), 2053 Laura Street, Springfield, OR Ms. Cuellar said she would like to keep the record on this item open until next Monday, April 25. She said when the facility plan was adopted, she attended public hearings and asked for some settlement and resolution to certain issues. MWMC wasn't interested in resolving this and now they were in litigation. She said the Facility Plan and the projects in the Facility Plan are being litigated. She said she was not sure how revenue bonds could be issued on projects under litigation. She said she had done a lot of research on this issue. She said one of the issues HBA brought forward was that this was a land use decision that should have gone through the planning process, and in hearings before the Planning Commission. She said that if HBA won at the Land Use Board of Appeals (LUBA) it would be a requirement that the Facility Plan go through the planning process and the community have an opportunity to weigh in to the plan. She questioned what would happen with the revenue bonds if the community decided they wanted a different Facility Plan.

IT WAS MOVED BY COUNCILOR WOODROW WITH A SECOND BY COUNCILOR LUNDBERG TO LEAVE THE PUBLIC WRITTEN RECORD UNTIL MONDAY, APRIL 25 AT 5:00PM. THE MOTION PASSED WITH A VOTE OF 5 FOR AND 0 AGAINST (1 ABSENT – FITCH).

Mayor Leiken closed the public hearing.

Ms. Kieran clarified that on both the resolution and ordinance, staff would have three days for rebuttal.

Mr. Kelly said this had been a highly debated topic. He referred to Ms. Cuellar's comments that the MWMC was not interested in dealing with the issues raised by HBA. He said that was not accurate in his view. Over a year ago the HBA stated the issues they had with the methodology, the facility plan and other issues. There was mediation and interim rates were put into place pending a methodology review. The process was started over with citizen representation, including representation from the HBA, and took nearly a year to complete. Nearly \$300,000 was spent by the city to staff that committee and paid to a consultant to review the methodology. There was also a loss in having to wait to begin construction costs and also in putting those interim costs into place which equaled nearly \$1M. The public had already invested a lot of money in lost construction costs, lost interim costs and directly funding the review committee. In his perspective, this showed that the MWMC did care about the concerns.

NO ACTION REQUESTED.

4. Initiation of Annexation of 0.49 Acres of Low Density Residential Property to the City of Springfield Journal Case Number LRP2005-00008 (Meyers/Rogers).

RESOLUTION NO. 05-19 – A RESOLUTION INITIATING ANNEXATION OF CERTAIN TERRITORIES TO THE CITY OF SPRINGFIELD KNOWN AS MEYERS & ROGERS LOCATED IN WESTERN SPRINGFIELD AT 1620 KELLOGG ROAD AS IDENTIFIED ON ASSESSOR MAP 17-03-34-22D1 TAX LOT 916 AND REQUESTING THAT THE LANE COUNTY LOCAL GOVERNMENT BOUNDARY COMMISSION APPROVE THE ANNEXATION.

City Planners Kitti Gale presented the staff report on this item. All owners and registered electors of the subject property, and the city, have requested annexation of Tax Lot 916 Assessor Map 17-03-34-22d1 to facilitate development and improvement of public infrastructure.

The City Council is authorized by ORS 199.490(2)(a)(B) to initiate annexation. Meyers and Rogers are the owners of Tax Lot 916, which is located outside the Springfield City limits. Their representative, Dennis Crow of Geomax Inc. has submitted an application requesting the annexation of Tax Lot 916. The proposed annexation is contiguous to Springfield City limits and can be provided with a full range of urban services.

Councilor Lundberg asked what area shown on the maps in Attachment 1 was within the city limits.

Ms. Gale said the area surrounding the property proposed for annexation was within city limits.

Councilor Ballew asked about a full report regarding services available.

Ms. Gale said she did not usually include a full report. That was generally something the city got back from the Boundary Commission or in a cover letter. She said there was a full range of urban services available to this property.

Councilor Ballew asked where the sewer was located.

Supervising Civil Engineer Ken Vogeney said there was an existing city sanitary sewer on Kellogg Road and extends to an apartment complex near Centennial Boulevard. He said there was already a stub to the property.

Councilor Ballew asked if the city would be paying for part of this annexation.

Ms. Gale said this was private only and they had paid the costs.

Mr. Kelly said Councilor Ballew may have been referring to other annexation agreements which are generally used for larger annexations. Those agreements spell out what would be provided and who would be responsible for each.

Mayor Leiken opened the public hearing.

No one appeared to speak.

Mayor Leiken closed the public hearing.

IT WAS MOVED BY COUNCILOR WOODROW WITH A SECOND BY COUNCILOR LUNDBERG TO ADOPT RESOLUTION NO. 05-19. THE MOTION PASSED WITH A VOTE OF 5 FOR AND 0 AGAINST (1 ABSENT – FITCH)

5. 2005 Justice Assistance Grant.

Police Chief Jerry Smith presented the staff report on this item. The City of Springfield is eligible to receive \$25,123 in federal funds from the 2005 Justice Assistance Grant. The funds may generally be used for any purpose relating to the criminal justice system, excluding construction projects and security projects.

No match funding is required, however, grant funds may not supplant general fund resources.

The recommendation is to use the 2005 funds as follows:

Public Safety Coordinating Council	\$14,000 (Anticipated Contract)
Municipal Court Translation Services	\$ 3000
Police Hispanic Community Outreach Project	\$ 3000
Lock Out Crime (LOC) Project	\$ 5123

The purpose of the public hearing is to solicit further suggestions from the community for possibilities to expend these funds. No additional action is required by the Council.

Chief Smith said the city was not locked into this disbursement and could change it later.

Mayor Leiken said that he often hears from Central Latino who expressed appreciation for Chief Smith's leadership and the outreach to the Hispanic Community.

Councilor Ballew asked which department awards these funds.

Chief Smith said it came from the Federal Department of Justice.

Councilor Lundberg asked if the amount listed on the agenda item summary was the entire amount allocated to Public Safety Coordinating Council (PSCC).

Mr. Kelly said the agreement made a couple of years ago stated that each agency would pay about \$18,000 - \$20,000 to help pay for a full-time analyst. That amount had not been spent, so the amount was reduced in anticipation of that change.

Mr. Harman said that was correct.

Mayor Leiken opened the public hearing.

No one appeared to speak.

Mayor Leiken closed the public hearing.

BUSINESS FROM THE AUDIENCE - Limited to 20 minutes. Please limit comments to 3 minutes. Request to Speak cards are available at both entrances. Please present cards to City Recorder. Speakers may not yield their time to others.

1. Shirley Gauthier, 538 W. 'M' Street, Springfield, OR Ms. Gauthier said she was before council to discuss a letter that was drafted by the Bill of Rights Defense Committee. The Committee was asking local organizations, community organizations, government bodies and individuals to sign on to this letter. She referred to the Mayor's comment about "the power of a letter" when he was discussing the grant funds. This was not related to anyone's opinion of the President of the United States. She said the United States is a party to the Geneva Conventions, the International Civil and Political Rights, and Convention against Torture and other Cruel, Inhumane and Degrading Treatment of Punishment. Under Congressional guidance the United States is bound to prevent cruel, inhumane or degrading treatment or punishment to the extent that the phrase means "cruel, unusual and inhumane treatment or punishment prohibited by the United State Constitution's Fifth Amendment ban on self-incrimination, eighth amendment ban on cruel and unusual punishment and fourteenth amendment guarantee of equal protection under the law. She said this letter was drafted to urge the President and members of Congress to abide by the Geneva Convention because the inhumane, degrading treatment anywhere in the world places our U.S. military and allied personnel in greater risk. These acts damage our country's reputation in the eyes of the world and they discourage other countries from supporting and assisting us in combating terrorism. They fuel hatred for the United States, giving ammunition to our world's enemies and allow

governments known to abuse human rights to cite the example of the U.S. as justification for the disregard of human rights. She asked the council to sign on to this letter so she could say she belonged to a community that signed this letter urging our President and Congress to abide by the Geneva Convention.

2. Don McCabe, 444 North 42nd Street, Springfield, OR. Mr. McCabe said he was the owner of the Pour House Tavern. He referred to Springfield's current gaming code 5.254 and its inequity in regards to business owners in Springfield. According to the code, everyone had the right to conduct social gaming in homes, fraternal/social clubs or non-profits, but not businesses. He said he would like to change the ordinance. He discussed the popularity of Texas Hold 'Em, which Springfield businesses were not allowed to conduct under the current ordinance. He said Eugene had that ability so customers are leaving Springfield to go to Eugene where they can play this game, which mean a loss of customer base to Springfield businesses. Unknowingly, Mr. McCabe had two tournaments at his establishment and doubled his income on those dates. That income transports into tax dollars to the City of Springfield. Once he realized there was an ordinance against this, he discontinued the tournaments. He then spoke with Chief Smith, who suggested Mr. McCabe come before council. Mr. McCabe said Corvallis just adopted a new gaming ordinance to allow these types of games to occur in businesses. He distributed a copy of a draft ordinance for council's review. He discussed the proceeds and benefit from video poker and he would like the opportunity as a business owner in Springfield to be on a level playing field with his counterparts in Eugene and other cities.

Mayor Leiken said he talked to Mr. McCabe and asked him to contact Councilor Ralston because the Mayor was not familiar with Texas Hold 'Em.

3. Hanalei Rozen, 1551 B Street, Springfield, OR Ms. Rozen discussed an event she was organizing called Main Stories for Historic Preservation Week. She said she was working with proprietors along Main Street and about twelve to fifteen had agreed to participate in this event. She said she would like to include City Hall. She distributed copies of an outline for this event. This event is not only to tell about the history, but the future of Main Street and City Hall and the Mayor and Councilors are a part of the 'history in the making'. She asked council to let her know if they have any ideas for the vision of Springfield that she could share. She said storytelling was part of keeping the small town feel in our community, which is a goal of council's. She said the event could grow into a walking tour of downtown and had a lot of potential for future years. She encouraged council to support this event and to attend the event.

COUNCIL RESPONSE

CORRESPONDENCE AND PETITIONS

1. Correspondence from Raymond Zimmer, P.O. Box 481, Springfield, OR Regarding Hazardous Odors Near the Marcola Road/Camp Creek Road Intersections.
(A copy of this correspondence has been forwarded to Jim Johnson at Lane Regional Air Pollution Authority)
2. Correspondence from Shirley Gauthier, 538 West M Street, Springfield, OR Regarding a Letter Drafted by the Bill of Rights Defense Committee.

3. Correspondence from Nick Staihar, 1110 Virginia Ave., Moscow, ID Regarding Police Chief Jerry Smith.
4. Correspondence from Don McCabe, Pour House Tavern, 444 N. 42nd Street, Springfield, OR Regarding a Proposed Social Gaming Ordinance.
5. Correspondence from Bruce Berg, 448 D Street, Springfield, OR Regarding an Article on Dealing More Firmly with Minor Crimes.

IT WAS MOVED BY COUNCILOR WOODROW WITH A SECOND BY COUNCILOR LUNDBERG TO ACCEPT THE CORRESPONDENCE FOR FILING. THE MOTION PASSED WITH A VOTE OF 5 FOR AND 0 AGAINST (1 ABSENT – FITCH).

BIDS

ORDINANCES

BUSINESS FROM THE CITY COUNCIL

1. Business from Council

- a. Councilor Ralston said he had looked over the proposal from Mr. McCabe regarding a social gaming ordinance to allow Texas Hold ‘Em tournaments in local establishments. He would suggest that within the proposed ordinance presented by Mr. McCabe under Correspondence and Petitions, anywhere that stated City Manager should read City Council. He would like to put this on the fast track as he felt it should be a simple matter. He noted that many towns are allowing this type of social gaming. They hold Texas Hold ‘Em tournaments that are very challenging. He said he could understand how Springfield businesses would lose money because people would go to towns that allowed this game.

Councilor Ballew said she would like to hear from Police Chief Smith in a report back to council regarding police activity at businesses that were able to conduct these games in the past.

Mr. Kelly said this was a hot topic among City Managers. Some businesses allow tournaments only, other businesses have a house bank and profit from the games. There are City Manager’s on both sides of this issue.

Councilor Ballew said this needs to be considered carefully. She noted that when a casino was proposed, there was a lot of public dissent.

Ms. Pappas said there was a gaming ordinance in Springfield in the past.

Councilor Pishioneri said he recalled a task force that had reviewed this issue.

Discussion was held regarding the task force.

Chief Smith said when he met with Mr. McCabe, he had expressed his own personal feelings opposed to social gaming. He then suggested to Mr. McCabe that he bring forth

a sample ordinance with specifics that he wanted included in the ordinance. Mr. McCabe had done that.

Mr. Kelly said it was up to council to direct staff to bring back more information for council to consider.

Council agreed to bring this back to a work session. They asked Chief Smith to provide information at that work session regarding advantages and disadvantages of allowing certain social gaming; the history of Springfield's past ordinance, enactment and enforcement of such an ordinance and the different types of social games that could be included.

- b. Councilor Woodrow said the Judiciary Committee reviewed the letter from Shirley Gauthier regarding the letter drafted by the Bill of Rights Defense Committee on the subject of torture and inhumane treatment during wartime. Councilor Woodrow said that following their review, the Judiciary Committee chose not to bring it forward to the council as a whole.
- c. Councilor Woodrow said that he and Chief Smith, Carole Knapel and Cynthia Pappas had attended the NIC Training in Colorado. He said they learned a lot about jail facilities and the details involved when building and operating a jail. He gave his compliments to Chief Smith for the research he had already done prior to the trip. Councilor Woodrow felt the trip was worthwhile and they learned a lot about how a jail facility should be built and function.

BUSINESS FROM THE CITY MANAGER

1. Refunding of City of Springfield Sewer Revenue Bonds Series 1995A.

RESOLUTION NO. 05-20 – A RESOLUTION AUTHORIZING SEWER SYSTEM REVENUE REFUNDING BONDS AND A MASTER SEWER SYSTEM REVENUE BOND DECLARATION.

Valerie Warner presented the staff report on this item. The city issued sewer revenue bonds for \$3,450,000 in 1995 for construction of the East Bank Interceptor. The bond redemption provisions allow the city to redeem bonds maturing on or after June 1, 2006 on June 1, 2005 or thereafter. Discussions with our financial advisor indicate that it would be advantageous to city sewer rate payers for the city to refund the bonds at this time and in this manner.

Ms. Warner reviewed the history of bond rates. She discussed the projected savings, which would be \$126,000, rather than \$140,000, as stated in the agenda item summary. She said the average interest rate on the remaining Series 1995A bonds was 5.4 percent. Current interest rates for similar issues are lower and present an opportunity for the city to reduce interest expense over the next nine years. Preliminary work estimates the average interest on the refunding bonds would be approximately 3.59 percent.

Ms. Warner said the other major issue was whether or not to use the competitive sale or a negotiated sale. She discussed some of the advantages and disadvantages of each method. Staff has weighed the pros and cons of both methods with the city's financial advisor, Pat Clancy of

Western Financial Group, and selected the negotiated sale method for this transaction. Staff proposes to work with Seattle Northwest Securities Corporation, as the underwriter for the negotiated sale. This method is in conformance with the city's new public contracting ordinance.

Councilor Ballew asked about the savings and if it would be cost prohibitive to pass that along to the citizens.

Ms. Warner said she was not the person who made that determination.

IT WAS MOVED BY COUNCILOR WOODROW WITH A SECOND BY COUNCILOR LUNDBERG TO DIRECT STAFF TO PROCEED WITH REFUNDING THE SERIES 1995 REVENUE BONDS IN A NEGOTIATED SALE WITH SEATTLE NORTHWEST SECURITIES. THE MOTION PASSED WITH A VOTE OF 5 FOR AND 0 AGAINST (1 ABSENT – FITCH).

IT WAS MOVED BY COUNCILOR WOODROW WITH A SECOND BY COUNCILOR LUNDBERG TO ADOPT RESOLUTION NO. 3. THE MOTION PASSED WITH A VOTE OF 5 FOR AND 0 AGAINST (1 ABSENT – FITCH).

BUSINESS FROM THE CITY ATTORNEY

ADJOURNMENT

The meeting was adjourned at 9:25 p.m.

Minutes Recorder Amy Sowa

Sidney W. Leiken
Mayor

Attest:

City Recorder