

City of Springfield
Work Session Meeting

MINUTES OF THE WORK SESSION MEETING OF
THE SPRINGFIELD CITY COUNCIL HELD
MONDAY, FEBRUARY 6, 2006

The City of Springfield Council met in a work session in the Jesse Maine Meeting Room, 225 Fifth Street, Springfield, Oregon, on Monday, February 6, 2006 at 6:02 p.m., with Mayor Leiken presiding.

ATTENDANCE

Present were Mayor Leiken and Councilors Ballew, Lundberg, Fitch, Ralston, Woodrow, and Pishioneri. Also present were Interim City Manager Cynthia Pappas, City Attorney Joe Leahy, City Recorder Amy Sowa and members of the staff.

Mayor Leiken asked Human Resources Director Bill Spiry to introduce his new guide dog.

Mr. Spiry introduced Gunner, his new guide dog. He asked that people not interact with Gunner until he has become acclimated to his new position and duties.

1. Fire and Life Safety Fees and Charges.

Fire Chief Dennis Murphy and Finance Director Bob Duey presented the staff report on this item. In October and November 2005, a Mayor's Blue Ribbon Committee (BRC) met to recommend options to resolve financial issues related to maintenance of current service levels in Fire & Life Safety. The BRC recommended options to increase revenues by \$636,000 annually through a combination of raising existing fees and implementing new fees. The BRC report was presented at a November 28 Council Work Session and again at a mid-year Budget Committee meeting on December 6. Staff was instructed to prepare revenue options for further Council consideration.

The financial impact of the fees depends on which of the options Council may wish to implement. A discussion of the type of fee and the amount of revenue estimated for each option is included in the attachments. Fire engine response fees, federal grants, and ambulance account services (billing) items are scheduled for a Council Work Session on February 13 and are not included in this discussion. Attachment A shows all fees proposed.

Fire & Life Safety fees and charges options are an integral part of overall City revenues required to balance the FY 06-07 budget.

Mr. Duey discussed the upcoming series of work sessions when staff would bring other fees to the Council for consideration. He noted that more services were being moved to a fee-based way of financing due to less ability to increase tax. Tonight's discussion would focus on Fire and Life Safety fees.

Mr. Duey discussed the Budget Committee meeting on December 6, 2005. The Budget Committee directed staff to cut expenditures, look at raising revenue and use an appropriate level of reserve to reduce the deficit. There were also meetings with the Fire and Life Safety Blue Ribbon Panel where budget issues were discussed. The Blue Panel suggested using the proposed fees for \$636,000, the reduction in potential expenditure reductions with the dispatch service and

consider the remaining \$264,000 as more of a global General Fund issue. Tonight's discussion on Fire fees and future discussions on other fees and charges would be intertwined.

Chief Murphy referred to Attachment A, the summary of all proposed Fire and Life Safety fees and charges. He said tonight's presentation would be short, allowing time for Council questions and discussions. He discussed why the upcoming Fire and Life Safety Levy that would come to the voters in November 2006 was included in the matrix of fees and charges. He said the First Response Fee would be discussed on February 13, along with brief discussions on grants and expanding the ambulance billing contract.

Chief Murphy referred to Attachment A, page 1 and discussed FireMed and the survey results regarding possible increases in that fee. He said even an increase of \$5 in the fee could lose the department money because of the decrease in membership. He discussed many of those who were current FireMed customers, including many elderly residents on fixed incomes. He discussed the proposed increase in ambulance billing that would compliment the revenue brought in by the increase in FireMed fees. Staff suggested raising FireMed \$2 per membership household, regardless of the size. The goal was to increase the FireMed fee slightly and also increase membership.

Chief Murphy discussed the next four options which were Fire Marshal activities and charges for those activities. He noted that users could be identified for these activities and charged accordingly for cost recovery. He said the revenue would go into the General Fund, but would be collected from user groups. He discussed the Fire Code Compliance fees and explained how the fees were created to charge only those that had to be revisited by the Fire Marshal for noncompliance. The first visit by the Fire Marshal would be free. The goal was safety compliance.

Mayor Leiken noted the difference between how the Springfield Fire Marshal handled noncompliance issues compared to how Occupational Safety and Health Administration (OSHA) handled them. He felt the proposed fees for noncompliance were very fair.

Councilor Lundberg said recouping fees seemed appropriate. She liked the proposed Fire Code Compliance system because it was a reward system. She said it was very helpful to have the Fire Marshal come out to businesses and point out potential fire safety issues. She said it would give businesses an incentive to comply.

Councilor Pishioneri asked if Fire and Life Safety had considered a home fire inspection for a fee at the request of the homeowner.

Chief Murphy said other fire departments had done that. He said it was important to first cover the business inspections with current staffing levels, but would like to consider it long-term.

Discussion was held regarding a possible credit or rebate on homeowner's insurance for successfully passing a fire inspection.

Councilor Fitch said insurance carriers often gave credits for certain things, but not for that.

Chief Murphy said staff could look into that option and would report back to Council before anything was implemented.

Councilor Fitch encouraged staff to put out information on ways homeowners could prevent fires in their home rather than going out and inspecting the homes. She discussed the possible liability to the City if a home recently inspected by the Fire Marshal experienced a fire.

Councilor Lundberg asked about assisted living centers that were home-based.

Fire Marshal Al Gerard said they were not allowed to inspect adult foster care homes and apply the Fire Code to them. He said the Fire Marshal's office was required by law to perform consultation inspections, but were not allowed to enforce the law. The Fire Marshal's office was not allowed to charge a fee for those inspections.

Chief Murphy said those facilities had their own incentive program through the licensing agency for those facilities.

Councilor Ballew asked for clarification on the new Construction Square Footage Fee and the Land Use Planning Fees.

Chief Murphy referred to Attachment D, page 2, Section 2 – Fire Protection and Life Safety Systems Plan Review. He said this related to commercial occupancies that put in special systems as noted in the attachment. He said those special systems were currently being inspected and funded by the General Fund. He said Council could determine whether or not a fee should be charged for those special services. He discussed the advantages and disadvantages of these fees. He discussed the New Construction Square Foot fee, which was listed in Attachment D, page 1. He explained the purpose of that fee. He discussed the Additional Fire Marshal Fees from Participation in Development Services Department (DSD) Planning, which was listed on Attachment D, page 5. He said that was not something new, but might upset some of those that would be affected. He said he contacted Roxie Cuellar from the HomeBuilders' Association (HBA) to see how she felt about this fee. Chief Murphy said she did not object.

Councilor Fitch asked about the number of ambulance runs.

Chief Murphy said over one half of all runs were senior citizens.

Councilor Fitch noted that the cost was not recovered on those runs because of Medicare and Medicaid reductions. She asked if the group had considered a small increase in FireMed and also a small deductible.

Chief Murphy said they did not look at a deductible, but that was something that may have been understood by FireMed members.

Councilor Fitch discussed the growing number of people that would be in that senior group and asked how the costs could go back to the large call group.

Chief Murphy said the possibility of a deductible hadn't been surveyed so they did not know the reaction. He said the current FireMed fee was easy to understand and that was part of the marketing. He noted the success of FireMed in Springfield compared to others in the state. He said it was important to survey members before any changes were made.

Councilor Fitch said there were some who joined FireMed because it was a good thing and others because they knew someone in their household would be using the service. She discussed the subsidy for that population.

Councilor Ballew said the Blue Ribbon Committee did discuss additional coverage for other people in the household and charging for number of calls. She discussed the cost to the system if people had no coverage at all, and that needed to be considered in looking at the FireMed members. She said any increases or other costs associated with FireMed could be a loss of membership and a loss of potential savings.

Councilor Fitch discussed the number of people on Medicare and the loss of revenue from that population for the cost of the ambulance run.

Chief Murphy said Council needed to be comfortable with what was being proposed because it would put Springfield up in the scale of what other cities were charging. He noted the fees that were set for the specific users. He noted the number of people that were FireMed members in Oregon and that it had started in Springfield. He discussed Councilor Fitch's comments about many of the FireMed members not carrying the weight of the costs and that she had a point.

Councilor Fitch said it was just something to be aware of.

Councilor Pishioneri asked what the payback would be for people that had to pay for services if FireMed was not available.

Chief Murphy said FireMed was originally created to allow all people access to ambulance service. He discussed the history of FireMed. He said a FireMed member was two times more likely to use an ambulance when they needed to than a non-member. He said according to the consultant, the insurance reimbursement, including Medicare and Medicaid, was greater than the cost of delivering that service out of the Fire Department that was already in place. He explained the number of staff available for these calls. He said if the utilization dropped, the ambulance calls dropped, but the number of fire engine calls would remain high because there was no charge for that and no way to recover that. The General Fund system would still be working and relieving the ambulances from a certain amount of workload which equaled money, as noted in reports prepared in the early 1980's when FireMed was created.

Councilor Ballew asked about the ambulance rate. She said she didn't have a problem with the figure shown if it was reflective of our actual costs.

Chief Murphy said the figure did reflect cost recovery.

Councilor Ballew asked if staff would be discussing the rest of the fees on February 13.

Chief Murphy said that was correct. Staff had allocated nearly an hour to discuss the First Responder Fees with Council.

Councilor Ralston asked about decreasing expenses and asking for \$100,000 from Eugene.

Chief Murphy said that was an expenditure reduction. Eugene was in their budget preparation on the dispatch costs and Springfield was currently in dialogue with them on that issue.

Councilor Fitch said she was supportive of the fee on the developers. She believed developers would also support it because it was upfront information on what was required. She gave an example of information on regulations received too late.

Ms. Pappas said staff would move forward on the proposed fees discussed this evening.

2. Mid-Year Budget Enhancement Request.

Community Services Manager Dave Puent presented the staff report on this item. The increase in building permit and inspection activity in Springfield within the last several years has been nothing short of astonishing. Although permit valuation reached a relatively high number for Springfield in year 2004, it appears rather diminutive when compared to what occurred in 2005. In 2004, the Community Services Division issued 662 structural permits with an associated permit valuation of \$68,896,612. In 2005, that number grew to 759 structural permits with an assessed permit valuation of \$407,723,835. Year after year the Division has been able to find ways to meet the increase in service demands without a reduction in permit or inspection services or an increase to existing staff. Many of the opportunities presented by the implementation of innovative changes in how we conduct business no longer exist or are too small to protect our ability to maintain the current level of permit and inspection services.

In budget year 2004-05, building services became an enterprise fund (224) and became solely dependent on the revenue received from permit fees. The level of staffing would be directly tied to the level of permit activity and the associated revenue generated. If revenue is not sufficient to cover the cost of providing a certain level of services, services (staffing) would be directly reduced. In fiscal year 2005-06, fund 224 began with a cash reserve of \$768,699. Revenue received to date through December for this fiscal year is \$2,119,405, approximately 106 percent of the entire fiscal year adopted budget for permit and inspections services.

The outlook for building activity to remain strong for the next several years in our community is extremely favorable. Adequate funding is available for the proposed FTE enhancements which will reduce any immediate negative impact to the current level of permit and inspection services.

Mr. Puent noted the large volume of permits and other development work that had been done by the department with only eight and a half staff. He discussed additional legislation and regulations which had added to the work load. He discussed the changes in the Building Code related to deferred submittals and noted ninety-nine percent were deferred submittals. Those types of submittals were ongoing and time consuming. He discussed some additional vacancies that caused shortages in the area of inspections, leaving no backup staff. He said there had been eight and a half people on staff since 2000. He discussed efficiencies which had been done over the years, but there was no longer room for additional efficiencies. He discussed twenty-four hour inspection availability. He said staff was requesting a 1.25FTE. He described the positions being requested.

Councilor Fitch said the cash revenue in Fund 224 was convincing and the promise that when things slowed down, those positions would not remain. She said it was not good to stress out the staff to the point where they could not handle the work load and get the work done in a timely fashion. She said she was supportive as long as the number of applications was monitored and the number of staff was warranted by those numbers.

Mr. Puent said the Building Code Fund was a dedicated fund and all permit activities were funded by permit revenue. If permit revenue decreased, staff levels decreased.

Councilor Pishioneri said he agreed and was very impressed with the staff and the workload they had carried. He agreed that the need should dictate the number of staff.

Councilor Ballew said she was supportive. She suggested staff prepare their reports in the future showing more justification for adding more people. She said it should demonstrate the workload and revenue offset.

Mayor Leiken said staff needed to also show the amount of work done by staff at home. He noted the amount of work he knew Mr. Puent had taken home. He said that should not be acceptable and the City should be in a position where staff should not have to take work home to get it completed.

Council consensus was to approve the increase in FTE.

ADJOURNMENT

The meeting was adjourned at 6:58 pm.

Minutes Recorder – Amy Sowa

Sidney W. Leiken
Mayor

Attest:

Amy Sowa
City Recorder