

City of Springfield
Work Session Meeting

MINUTES OF THE WORK SESSION MEETING OF
THE SPRINGFIELD CITY COUNCIL HELD
MONDAY, MAY 1, 2006

The City of Springfield Council met in a work session in the Jesse Maine Meeting Room, 225 Fifth Street, Springfield, Oregon, on Monday, May 1, 2006 at 6:08 p.m., with Mayor Leiken presiding.

ATTENDANCE

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

1. Glenwood Fire Service Contract.

Finance Director Bob Duey presented the staff report on this item. The City staff and the Glenwood Water District Board have been in extended discussions concerning a new contract for fire and emergency services. A tentative agreement has been reached in the negotiations with the Board Chair and the Glenwood Board is currently reviewing the proposal. Staff is recommending that the Council authorize the City Manager to sign the proposed contract and submit it to the Glenwood Board prior to their next regularly scheduled meeting.

In FY04, the City Council authorized updated fire and emergency services contracts with the Willakenzie Fire District, the Rainbow Water District and the Glenwood Water District (Glenwood). The Willakenzie and Rainbow contracts have been in force since that time. Glenwood took no action for just over 18 months and then since that time have remitted all payments for services in a timely manner under the provisions of the previous contract. The City has continued to bill Glenwood during this period under the provisions of the new contract. The difference amounts to approximately \$17,000 annually (equaling the 12% out-of-city charge that Council requested to be included in all fire and emergency service contracts).

The contract as proposed includes concessions by both agencies. Staff is recommending that the proposed contract's effective date is July 1, 2005. The cost of fire services for FY03/04 and FY04/05 would be considered under the previous contract terms and no additional funds would be owed for those two years. Staff removed any reference to joint capital project funding. Staff has also developed a formula within the pricing mechanics that recognizes and addresses the effects of tax increment financing for the Glenwood Urban Renewal District on the taxing structure of Glenwood. The proposed contract does include the inclusion of the 12% out-of-city charge for the current and future years.

The Chair of the Glenwood Board has indicated that Glenwood will be approaching the SEDA Board to ask for their support in having a future SUB water project in Glenwood, for which the water district would be cost-sharing, declared an eligible project for SEDA funding. The Glenwood Board may view this action as necessary for contract approval. The City staff believes that these two issues are separate at this time.

Mr. Duey said staff tried to keep the contract in sync with the other two Water Districts so it was equitable among all three. He noted the differences between this contract and the contracts with Rainbow Water District and Willakenzie Fire District. He discussed the terms in this contract to make cost sharing between all three districts fair. He said this contract would be in front of the Glenwood Water District Board during their May meeting. He noted that this would be brought up to Council during the Regular Meeting for consideration and possible approval.

Councilor Ralston asked about the rates being frozen in regards to the Urban Renewal District.

Mr. Duey explained how the rate would be computed due to the inability to collect the additional tax funds in Glenwood.

Councilor Ralston asked if this would prevent increasing the fees in the future.

Mr. Duey said the dollar value of the contract would change based on the cost of the service. It was the ability of Glenwood Water District to raise that dollar amount based on the decrease in taxes going to them because of the Urban Renewal District.

Councilor Pishioneri asked about the impact of this if property in the area sharply increased in value.

Mr. Duey said it would depend. If the value was through development, chances were the development would be incorporated into the City and would no longer be in the district. The property that remained unincorporated could increase in value based on surrounding development.

Councilor Pishioneri asked how the worse case scenario would impact the City.

Mr. Duey said there was not much of a down side. He said the revenue being lost by the City directly would still go into the Glenwood area for Urban Renewal. The money and resources would still be acquired by one of the agencies the City was involved in and would be available for projects and activities. He said there could be a small General Fund reduction.

Ms. Pappas said the downside was the length of time and amount of negotiations that took place regarding this contract. More staff time was involved than should have occurred. Council could determine that this action expired at a date certain if Glenwood Water District did not sign.

Councilor Ballew said the normal three percent tax gain would go to SEDA if no development went on in Glenwood, yet over time the City's expenses for fire services would increase. The worse scenario would be no development in Glenwood. Any major development would be annexed into the City and the District would lose that revenue.

Mr. Duey said the overall cost of the fire service contract could not change, but service costs could increase. The cost of the contract itself could increase each year, but the City would only lose the frozen value.

Councilor Ballew expressed concerns about the rate being frozen and the impact on the revenue the City could collect.

Mr. Duey said the rate could go up from year to year. There was room to adjust.

Councilor Ballew said Glenwood didn't have too many options for fire service, so they needed to make a decision.

Mr. Duey said they were fairly close on the contract. He said the SEDA Board would probably hear from the Glenwood Water Board soon about the potential for some common projects.

Councilor Fitch said she would like it put to a vote with acceptance prior to the end of May.

Mayor Leiken asked Chief Murphy how much money the City would lose if the other two districts the City contracts with for fire service chose to take 18 months to negotiate their contracts.

Chief Murphy said Mr. Duey was the lead negotiator on the financial portion and Chief Murphy was the lead negotiator regarding the service delivery. All three districts had never argued that they had not received proper services.

Mr. Duey said Rainbow's twelve percent equates to about \$80,000 a year and Willakanzie's was just over \$25,000 per year. Glenwood's twelve percent was about \$75,000.

Mayor Leiken asked about the deficit our Fire and Life Safety was facing.

Mr. Duey said it was a few hundred thousand dollars.

Mayor Leiken agreed with the suggestion to go forward with a vote on this contract during the Regular Meeting. This would be discussed during Business from the City Manager to allow testimony from people during Business from the Audience.

2. Request for a Permit to Work Outside the Hours of 7 a.m. to 6 p.m. on a Portion of the Martin Luther King Jr. Parkway Project.

City Engineer Ken Vogeney presented the staff report on this item. Delta Construction Co. is under contract with Lane County to construct the Martin Luther King Jr. Parkway. One provision of that contract is that the contractor must comply with City ordinances, including the Noise Ordinance (Section 5.220 of the Springfield Municipal Code), which limits noise from construction activities to the hours of 7 a.m. to 6 p.m.

A variance has previously been approved for sawcutting throughout the project. This work hour extension request will not effect that variance, though sawcutting may extend longer into the evening.

The Contractor has requested extended work hours of 7 a.m. to 8 p.m. for a portion of the project including the intersection at Hayden Bridge Way, and the portion of new roadway protected by the new sound wall.

The Contractor's request will help ensure that they can complete the intersection construction within the 120-day time limit in the contract, and hopefully sooner. Under the current work hours, when making significant concrete pours, the contractor must stop placing concrete by about 4:00

p.m. (about 9 hours of work). If the contractor is able to extend the work hours until 8:00 p.m., concrete placement could continue until 6:00 p.m. This effectively allows for about 22% more work on those days of concrete pours. During the extended hours (after 6:00 pm) work covered by this variance will most likely consist of clean-up, finishing the concrete surface, cleaning and moving equipment and materials around the work area. The most noticeable sound will likely be backup alarms.

The contractor originally asked for a longer work extension over the whole project and the entire 120 days. But after concerns were expressed by staff, the contractor revised the request, clarifying that the extension will only be used for days of large concrete pours, when it has the most benefit to the project, and be limited to the part of the project around the intersection. Construction trucks may access the site via the old railroad grade and the portion of the parkway protected by the new soundwall. Staff believes these revisions would limit the impact to project neighbors, while hopefully reducing the overall project time.

There will be no financial impact from this permit. Staff supports this request.

Mr. Vogeney said staff had been working on a notification and communication plan for this project and all projects in this area. Question and Answer Fact Sheets would be mailed out to everyone within a ½ mile radius of the projects.

Councilor Ralston asked if the contractor had submitted several requests.

Mr. Vogeney said they had submitted a previous request for a variance up to 9:00p.m. for a period of 120 days, but staff told the contractor they would not recommend approval to Council. The contractor modified their request to the version that was before Council for approval.

Councilor Pishioneri said he would like to see weekly reports on any concerns and comments. If he saw a high incident of complaints or concerns, he would want the City to suspend the permit. He would like the neighborhood to know ahead of time that they could call the City if they felt this extension negatively impacted their lives.

Ms. Pappas asked if Council wanted to receive the weekly updates in the Communication Packet. Yes.

Councilor Woodrow asked about the timeline of this project and asked where the contractors would be working.

Mr. Vogeney said the area in the intersection was the only area where the work would be done, but the trucks driving up and down the entire corridor would be included in this variance.

Councilor Lundberg said she had no issues, but wanted to get the word out to the neighbors. She wanted to get this project finished. She said she understood the timing issues when pouring concrete. She noted complaints, not just from the noise of the equipment while work was being conducted, but also from the noise of the workers arriving early, slamming their truck doors and calling out to each other. She asked staff to have the contractor talk to their workers about being considerate when arriving and leaving the job site. She said getting the project done quickly was very important.

Councilor Fitch agreed the window of opportunity was small to get it done. She suggested that if they did have to shut off Harlow Road/Hayden Bridge to consider something even more extended so that closure would be for a shorter amount of time.

Mr. Vogeney noted that the original verbal request was to close the entire intersection for the entire 120 days of construction. Staff brought that request to Council leadership, who opposed that option. Staff had been working with the contractor to try to balance the impacts on the residents and still allow them to meet their contractual obligations. The proposal before Council was the result of those discussions.

Councilor Pishioneri said there was a difference between being at work and arriving at the job site, as referred to by Councilor Lundberg. If that was a problem, the contractor could be limited to their workers arriving at the allowed time, rather than starting to work at that time. That would not be the best, but could be an option.

Ms. Pappas said the City would have a discussion with the contractor to talk to his workers about being more considerate when arriving and leaving from the job site.

Councilor Pishioneri said he just wanted them to be aware and to know that if complaints were received, the City could change the times. He asked if this request was for part or all of the roundabout.

Mr. Vogeney said the request was for the entire roundabout portion of the project.

Councilor Fitch asked how many days the intersection would be closed.

Mr. Vogeney said the intersection for the east/west movements would remain open at all times, other than flagging for construction traffic.

Mr. Rodolf also responded. He said there could be one weekend day when the whole intersection would be closed for striping. That closure would be well coordinated and noticed.

Mayor Leiken discussed sawcutting during those hours.

Mr. Vogeney said the request for sawcutting approved by Council in the past, was for the entire project. This request was a separate request for concrete placement.

Mayor Leiken said Contractor Lee Babb had sent a letter to him stating his appreciation for the Springfield staff and their professionalism.

3. Local Wastewater and Drainage User Rates.

Ravi Brooksbank from the Environmental Services Department (ESD) presented the staff report on this item. Each year, staff brings to Council proposed user rates for local wastewater and drainage programs. These rates are established to provide adequate revenue to fund operation and maintenance (O&M) and the Capital Improvement Program (CIP) at the City of Springfield. In addition to these rates, the Metropolitan Wastewater Management Commission (MWMC) develops user rates necessary to maintain the Regional Wastewater Program (RWP).

Last year, as part of the FY 05-06 budget development, Council was presented with several local user rate options. During review of proposed user rates for FY 05-06, Council considered the appropriate balance of user rate and system development charge funding needed to support the proposed budget and unmet wastewater and drainage capital funding needs of the City.

The approach ultimately taken by the Council (beginning with the FY 05-06 fiscal year) was to approve a two year phasing plan for user rate increases in an effort to collect adequate revenues for unmet capital needs, and simultaneously mitigate the likelihood of a large rate spike. This involved a local wastewater and drainage user rate increase of approximately 7 percent per year over a two year period. Regional Wastewater user rates were reviewed by MWMC during work sessions in April and approved at a public hearing on April 20th.

The Council may direct staff to further refine the proposed user rate schedule prior to the public hearing and possible adoption at the May 15th Council meeting. Additional information on the local and regional user rates is provided in the attached Council Briefing Memo included in the agenda packet.

Ms. Brooksbank introduced herself to the Council and said she had been with the City only six months. She discussed the two options presented to Council last year regarding user rates and the regional increases. The increase in cost of steel and other building materials had caused a larger increase than was previously planned. She discussed the increase in user rates. She referred to Attachment A and an updated Attachment B, which was distributed to the Mayor and Council. She discussed a chart that had been distributed, showing the Average Residential Wastewater and SDC User Fees for other cities in Oregon. She explained the chart. Springfield's rates were somewhere in the middle compared to other cities in Oregon.

Mayor Leiken said there was no need to compare Springfield to Eugene in this regard. He referred to an article in the Register Guard regarding Royal Caribbean being one of ten LEEDS (Leadership in Energy and Environmental Design) certified buildings in Oregon. He also noted that the new Armory would also be LEEDS certified. He said Springfield was adding environmental protection and had more than \$400M in development. He said he had discussed that with one of the candidates for Governor, who was very surprised. He said the increases were minimal, but added a definite service. He said he had no issue with this increase.

Councilor Lundberg asked what the original cost was for the expansion of the treatment plant.

Environmental Services Manager Susie Smith said in 2004 dollars it was \$144M, understanding that every year an inflationary factor was projected. She discussed the projection based on the new higher construction costs. Ms. Smith said the Facilities Plan was always dated in 2004 dollars, understanding that whatever the inflationary factor was going to hit would increase that amount. It had to be benchmarked the year everything was processed. She said staff had always made it clear that the project amount of \$144M was in 2004 dollars, not the inflated value projected over the twenty years.

Councilor Lundberg said she would love to see Coburg join MWMC and charge them enough extra to make it equitable. She said the area was growing and if other neighboring communities could be charged, the gap would be covered. She discussed the difference between being able to increase fees to generate revenue, but having to go out for levies to collect revenue for other

services such as police and fire. She felt that we should consider other communities joining MWMC if it could make sense.

Councilor Pishioneri noted that Bend was removed from the chart and he asked why.

Ms. Smith said it was removed because they had different issues.

Councilor Ballew noted that it would need to be planned if additional users were added to the system. MWMC could only discharge a certain amount with the permit currently in place. She said nothing was simple.

Mayor Leiken asked if Portland went through legal issues due to lack of capacity. Yes.

Councilor Fitch said by doing this in increments of two years at a time and breaking it up, the City was better able to look at those construction costs as they changed. She said it was better doing it this way rather than a sudden increase.

Councilor Ballew said the intent was to use user rates and borrowed money. She discussed the balance of existing money and the borrowed money.

Councilor Fitch said it may be time to look at the SDC's again.

Councilor Ballew said that could be in the works.

Ms. Smith said the Commission just approved modifications to the methodology to enable automatic inflationary increases and two years of catch-up. The Commission would be reviewing a near 12 percent increase for inflation at their May meeting. If approved, it would come to Council for consideration.

Councilor Ralston asked if the reason our rates were higher than Eugene's was that Springfield had a higher debt service. He asked if having twice as much development in Springfield would help reduce the time needed to pay off the debt or lower the rates.

Mr. Duey said there were too many other factors to answer that question at this time. The new development would cause additional needs for infrastructure, etc.

Ms. Smith said the debt service payment was fixed for twenty years and was at an advantageous rate that was very low. When more revenues were received from SDC's, that enabled the City to fund more in the Capital Improvement Program which included many new projects. If the City chose not to do some of the capital improvement projects, they could lower the rates.

ADJOURNMENT

The meeting was adjourned at approximately 6:52 pm.

Minutes Recorder – Amy Sowa

Sidney W. Leiken
Mayor

Attest:

Amy Sowa
City Recorder