

City of Springfield
Work Session Meeting

MINUTES OF THE WORK SESSION MEETING OF
THE SPRINGFIELD CITY COUNCIL HELD
MONDAY, JANUARY 14, 2008

The City of Springfield Council met in a work session in the Jesse Maine Meeting Room, 225 Fifth Street, Springfield, Oregon, on Monday, January 14, 2008 at 5:31 p.m., with Mayor Leiken presiding.

ATTENDANCE

Present were Mayor Leiken and Councilors Lundberg, Wylie (5:38 p.m.), Ballew, Ralston, Woodrow, and Pishioneri. Also present were City Manager Gino Grimaldi, Assistant City Manager Jeff Towery, City Attorney Joe Leahy, City Attorney Matt Cox, City Attorney Bill VanVector, City Recorder Amy Sowa and members of the staff.

1. Budget Committee Interviews.

Budget Officer Bob Brew presented the staff report on this item. The Budget Committee has a vacancy in Ward 1 due to the December 31, 2007 term expiration of Darnell Manning. Mr. Manning resigned the Budget Committee in April of 2007, shortly before the first meeting, and the position could not be refilled during the Budget Committee process. Mr. Manning served one term on the Committee and would be eligible to reapply; however he has not done so. The person appointed to the Ward 1 position will serve a three year term that will expire on December 31, 2010. One application has been received for this position.

The Budget Committee also has a vacancy in Ward 5 due to the resignation of Diana Garcia. The person appointed will serve the remainder of Ms. Garcia's term which will expire on December 31, 2009. Two applications have been received for this position.

In response to the news release dated December 4, 2007, a display ad in the Register-Guard on December 20 and 27, 2007 and an article in the Springfield Extra section of the Register-Guard on December 20, 2007, one application has been received for the Ward 1 opening and two applications for the Ward 5 opening.

The Council is requested to interview one applicant for Ward 1 (Mr. Jeff Morris) and two applicants for Ward 5 (Mr. Curtiss Greer and Mr. Daniel Bowie). Budget Committee appointments are scheduled to be ratified at the Regular Session Meeting on January 22, 2008.

The Council chose the questions each would ask of the candidates.

The Council interviewed Jeff Morris for Ward 1 and Curtiss Greer and Daniel Bowie for Ward 5.

Council discussed Jeff Morris for the Ward 1 position. They felt he was a solid candidate and would be easy to work with. He had a lot of knowledge regarding budgetary issues.

Council discussed the Ward 5 candidates and the qualifications of each. Based on budgetary experience, Council supported moving forward to appoint Daniel Bowie. Mr. Greer's interest in the community and the need to find a committee for him to be involved in was noted by the Council.

Council came to consensus to appoint Jeff Morris and Daniel Bowie during the January 22 Council Regular Meeting.

2. Expansion of Wellness Program.

Human Resources Manager Ardis Belknap presented the staff report on this item. In June 2007 Council approved \$45,000 to expand the City's Wellness Program and begin using more of what is currently paid for illness and injury towards paying for health. Staff recommends that Council authorize the expenditure of the budgeted \$45,000 and additional funds received from an unexpected Workers' Compensation dividend to develop and implement the expanded City Wellness Program.

A well designed wellness program will encourage and assist employees to gain and maintain health. A healthy employee results in fewer and less severe on-the job injuries, lower medical costs, lower disability costs and ultimately lower life insurance costs. National studies report a return on investment (ROI) from \$1.40 to \$4.90 for every dollar spent on wellness programs. The median ROI is \$3 in benefits per dollar spent on wellness.

No unbudgeted funds would be used in this proposal. The expansion of the Wellness Program for City of Springfield employee, retirees, and dependents is anticipated to be \$116,000 in the first year and an additional \$65,000 per year for on-going program (funded from Benefits Reserve and SAIF dividend in current Fiscal Year, Benefits Reserve in FY 2008-2009). The current year request would be expenditure of the previously budgeted \$45,000 and a later supplemental budget request seeking authorization to appropriate \$71,000 in additional funds received from an unexpected Workers' Compensation dividend.

Councilor Woodrow asked if there were other cities in Oregon doing this.

Ms. Belknap said a number of other cities were looking at it. The City of Corvallis was a little further along than Springfield and on a similar tract. EWEB had a wellness center and Eugene 4-J Schools has had one in place since the early 1990's. There were other cities moving towards wellness centers. There was a meeting on January 23 sponsored by the Oregon Coalition of Health Care Purchasers in which ten municipalities were enrolled to attend.

Councilor Woodrow asked if those agencies with a wellness center in place had any statistics.

Ms. Belknap referred to the statistics noted in the packet.

Councilor Ralston asked about the unexpected dividend of \$71,000.

Ms. Belknap said it was from State Accident Insurance Fund (SAIF) it was not from anything the City had done, but rather a stockholder dividend. It was SAIF's recommendation to put this

surplus into the wellness program. Staff would come back to Council with a supplemental budget item to transfer those funds.

Councilor Ralston felt that made a lot of sense.

Councilor Ballew said the schools took on a lot of things besides education. She was concerned with the City taking on wellness. She would like to see periodic checkpoints to determine if the City was saving money and how much was being saved.

Ms. Belknap said that would be done. She noted the Diabetic program as an example. She explained. Any program put into place needed good measurement. She cautioned that the savings range may remain at the lower end because of the high deductible in the HIP program. The savings would be seen around loss prevention and chronic illness. Over the last few years, she had pulled together every possible resource to put a wellness program. The amount of time to pull all those resources together was not an efficient program. This would give the City more control over what our employees needed, as well as dependents and retirees, and would make it sustainable.

Councilor Ballew said she had concern about the benefits to dependents. She noted the number of accidents that occurred during training exercises.

Ms. Belknap said the Fire Department was working on that issue and looking at their training exercises to lower that rate.

Councilor Pishioneri complimented Ms. Belknap on her work on this. Every organization needed someone that would take an idea and run with it. He commended Ms. Belknap and her supervisor for her work. He discussed savings and the difference when overtime was affected (police or fire) compared to straight time. He asked what had been done with the \$45,000.

Ms. Belknap said it had not been expended yet. The conference room in the Carter Building was of interest for the Wellness Center. A law passed as of January 1, 2008, requiring the City to provide a lactation room, and that room was being used for that purpose at this time. The room was of the size and configuration, with an exterior entrance to it, for an onsite clinic. She anticipated that the wellness center would be developed by the employees.

Councilor Pishioneri said he was excited to see the results of this program. This program could be targeted for funding reductions during tough budget years, and he would like to see a strong defense to prevent that.

Councilor Wylie asked if the center would be staffed.

Ms. Belknap said it would be more of an office to see minor acute care. The City had several other gym facilities around the City, such as in the Maintenance Department and Police Department. Staff would first look at current facilities and how to use them to the maximum.

Councilor Wylie asked about smoking cessation classes.

Ms. Belknap said that would be something they would look at in the future. She said resources already available would be pulled into this program.

Councilor Lundberg said benefit packages played a huge part in the budget. She would be interested to see this tracked so we could see savings from this. She asked if there were any direct linkages to health insurance premiums and having a wellness center.

Ms. Belknap said when she met with Pacific Source to go over the diabetic plan, that topic came up. She said she believed Pacific Source would use the minimum/maximum model. She explained and said nothing had been determined yet.

Mayor Leiken said it was a good opportunity. The employees' duties had become more complex. When looking for new employees, having a wellness center included was important. It was a good opportunity to attract more applicants and was a plus for the City.

3. Wastewater Master Plan and Stormwater Facility Master Plan Updates.

Environmental Services Manager Susie Smith, Engineer Matt Stouder, and Stormwater Facilities Planner George Walker presented the staff report on this item. The Wastewater Master Plan (WWMP) and Stormwater Facility Master Plan (SWFMP) projects are nearing completion. Draft plans are under review and capital improvement projects have been identified. The following information provides a summary of the master plan projects to date, as well as the timing for their completion.

The consultants have submitted the initial drafts of both the Wastewater Master Plan (WWMP) and the Stormwater Facility Master Plan (SWFMP). The initial draft documents provide a summary of the need for these plans, and a description of the approaches used for preparing the plans. Sections are included describing the study area characteristics, their impact on the development of the hydrologic and hydraulic model tools used to identify problem areas, and develop solutions in the City's wastewater and stormwater systems. Subsequent sections of the documents present a draft-prioritized list of proposed capital improvements projects for each of these systems. The attached Council Briefing Memorandum provides a more detailed discussion of the methods used to develop the plans and the results of these efforts.

The WWMP and SWFMP provide basic data for the City capital improvements program, SDC methodology development and support for the development community. Staff is currently reviewing the draft plan documents and is providing comments to the consultant. As the final documents are being prepared, staff will initiate appropriate amendments to the Eugene-Springfield Metropolitan Area General Plan and the Public Facilities and Services Plan (PFSP).

Councilor Wylie commended staff on the MWMC annual report.

Ms. Smith noted it was a collaborative effort by her staff with Rachael Chilton creating the design of the report.

Ms. Smith said there was significant need in the area of upgrading and remedying the affects of an aging infrastructure system in the wastewater side. In addition to building new infrastructure and expanding our wastewater collection system for growth, we also need to rehabilitate and

upgrade the existing system. She said this only pertained to the local system. The results of the planning process included a list of capital projects that add up to about \$65M. She noted that Mr. Stouder would go into more detail regarding the wastewater plant and the areas of improvement being considered. Mr. Walker would be discussing the stormwater project.

Ms. Smith discussed the difference between current stormwater management and that in years past. The stormwater plan wasn't as far along as the wastewater plan. There would be a similar amount of funding needed for the stormwater side as the wastewater side. She discussed ways that funding could be addressed. The SDC methodology would be updated, and more revenue would need to be generated from both user fees and SDC's. She noted that Assistant Public Works Director Len Goodwin was the Chief Financial planner for Public Works and was working with the Finance Department and an internal team to bring a capital financing plan to Council. Wastewater rates in Springfield were still very competitive and all the other cities were in the same situation regarding improvements that needed to be made. Last year, staff did not recommend an increase in stormwater fees. They would probably need to make that recommendation this year.

Councilor Ballew asked for clarification on what was expanded or built-out. She said it was important to know the age of the City's system.

Councilor Ralston said he would like to hear separate numbers for stormwater and sewer. He would like to hear what was being proposed and what needed to be done compared to what was scheduled to be done, and the cost difference between those. He would like it broken down for both projects.

Ms. Smith said the City was planning on getting the Jasper Trunk included in the wastewater plan. The estimate for that project was about \$12M and was included in the \$65M. She noted that it was an expansion project. The wet weather flow management plan obligation for in flow rehabilitation was about \$1M. Those were in fulfillment of our regional rehabilitation obligation. Some amount of that equivalent was factored into the rehabilitation part.

Mr. Goodwin said the City programmed on a five-year CIP cycle. The needs of \$65M went out over twenty years. Some of the needs could be things that would have shown up on the CIP anyway.

Ms. Smith said the projects must be done right away, but payment for them would be spread over twenty years. She said there was not a lot of information on the stormwater side.

Matt Stouder, Springfield Civil Engineer, introduced himself. He addressed Councilor Ballew's question regarding the age of the City's system. He noted that about thirty-five percent of the City's system was sixty years old, about forty percent was in the range of twenty-five to forty years old, and about twenty percent was about twenty years old. The general purpose of the draft master plan was to address the existing sanitary sewer needs and to identify improvements to address those needs. The draft plan when final would replace the 1980 plan. The consultant, CH2M Hill, had given project estimates in three areas: 1) Expanded service areas, as noted in Exhibit 1 in the agenda packet. These were future projects that would occur as development occurred to accommodate future growth. The cost for these projects was about \$28M. He noted some of the larger projects in this list; 2) Improvements to the existing system, as noted in

Exhibit 2 in the agenda packet. This included 'existing pipe improvement' and 'future basin rehabilitation'. The cost was about \$25.5M for these improvements; and 3) Improvements to our existing program for future growth or full build-out, also noted in Exhibit 2 in the agenda packet. These projects would include future pipe improvement to add capacity to existing systems as growth occurred. The cost was about \$11M for those improvements. The total for the three areas was about \$65M. The master plan was within the proposed budget and project completion was expected in the coming months.

Councilor Pishioneri asked how old the Glenwood Pump Station was and if it was a significant project for the City.

Ms. Smith said that was part of the regional system.

Mr. Stouder said there hadn't been improvement identified for that station, although there was some space for additional capacity.

Ms. Smith said that would be part of the MWMC system because it was part of the MWMC owned conveyance.

Councilor Ralston said it didn't surprise him that there was a future pump station in the PeaceHealth area. He asked if the station proposed on Harbor Drive would address growth into Glenwood or just the east side of the river.

Mr. Stouder said there were plans for a future system for Franklin Boulevard. The consultant examined pumping across the river from Harbor Drive or over the hill from the other direction. It was quite a bit more cost effective to go over the hill.

Councilor Ralston referred to the priority of capital improvement projects on Exhibit 3 in the agenda packet, and asked about Area #8.

Ms. Smith said Mr. Walker would address that when he discussed the stormwater plan.

Councilor Ballew asked if Glenwood was considered extended or a build-out.

Mr. Stouder said an expanded system would be system that was not already in place and needed to be extended into an area. When a system that had been extended for future growth was connected to the new buildings (homes, businesses, etc.), it was considered a build-out. Deficiencies meant there was not enough capacity in the existing system and often involved adding larger pipes or additional lines.

George Walker, Stormwater Facilities Manager, discussed the stormwater plan. He noted that Council had a lot of awareness about this plan and had offered suggestions that he was able to incorporate to make it a better plan. He felt the document was the beginning of a plan that would serve a lot of the community's needs, while remaining flexible enough to work with the community as it changed. He discussed some of the changes that had occurred in Springfield and with stormwater since the first formal plan. In the past, stormwater was narrowly focused on flood control and getting water to the river as quickly as possible. There were now clean water requirements that needed to be included in the plan. Springfield had a lot of growth,

development, and densification. Staff was very much aware that Springfield citizens had a lot more environmental awareness than in the past, which was a plus. The technology and information that staff used to prepare this plan was way beyond what was done in the past.

Mr. Walker said staff had taken a watershed view of this plan. In the past plans, staff had always looked at the urban growth boundaries (UGB) and designed systems to address Springfield's needs. The new plan recognized that water flowed to and from Eugene and Lane County. There was more impact of stormwater than ever before. Groundwater issues and drinking water issues were being addressed. The GIS system allowed more input to make these decisions and gave an accurate model of what our stormwater was doing because more data was available. He said the plan could be used for public safety and health, to identify flooding and potential property damage areas, to outline BMP (Best Management Practices) and water quality for the health side of the groundwater and to identify practices for compliance with the Endangered Species Act (ESA) and the Environmental Protection Agency (EPA). The plan gave guidance for community development. The Capital Improvement Project (CIP) list reached beyond what we typically managed and the plan provided support for updating our system development charge (SDC) methodology update and established a direction for long-term financial ability. The computer modeling allowed us to be flexible with the parameters and to adapt. The CIP's were more flexible than in the past. He explained. The projects identified in the plan covered a range of issues that allowed us to implement them at different levels, at different forms and in different timelines. Projects would be taken on as needed. He said the plan would be a policies and procedures manual for stormwater for staff in all departments.

Mr. Walker discussed some of the outcomes of this plan. He noted that this plan needed to be compatible with the Metro Plan, the Millrace Plan, Metro Waterways, and the OxBow Natural Resource Area. One of the outcomes was that the plan would develop facilities that would be community amenities and would incorporate neighborhoods. He explained. This plan reached outside of our community. He referred to Eugene's stormwater flier and that one of Springfield's rain gardens was on the cover.

Ms. Smith discussed the OxBow project and the need to have areas such as this to accept runoff. This particular area takes about 25 to 35 percent runoff when at build-out. The City had the ability to do stormwater planning well in that area because Weyerhaeuser donated land to the City of Springfield for a portion of the property, and Willamalane also partnered in the project.

Mayor Leiken said he appreciated Mr. Walker's comment that taking Council ideas and incorporating them made this a better plan. Springfield staff knew how to work together to take the vision of the policy makers and incorporate that into the work done. That had been Springfield's success over the years and he hoped it would continue. As staff developed the plan, it needed to evolve. It was good to hear that staff and the Council continued to work together. It would be staff's job to develop those plans in the future to accommodate growth. It was good that Council was on a course, and better that staff was working hard to get there. He commended staff on working with the Council.

Councilor Lundberg said the City used wells for drinking water and she noted the importance of sewer and stormwater management. She asked for information about whether or not that made a difference in how we planned.

Ms. Smith said because of the great job done on the Drinking Water Protection Plan adopted by the Council several years ago, there was very good mapping of critical areas of influence that affected our drinking water wells. The Planning division integrated land use development and knew where uses were sited and how stormwater was managed in those areas and the uses that might develop anew. Those were all factored into this plan and all plans could be overlaid. It all went into future planning for future well sites.

Mr. Walker said one of the technologies was the GIS systems. As wells were put in, the systems could track the wells and time of travel zones. It allowed for adaptive planning.

Councilor Lundberg said that would be important public information.

Councilor Ballew asked how soon until the final plans were complete.

Ms. Smith said the agenda packet outlined the next steps. The wastewater plan was further along than the stormwater plan. She explained why. Staff would bring both plans together in the process because both required review by the Planning Commission, the City Council and public outreach. In the next three or four months, staff would bring this to the Planning Commission, do some outreach, and bring them back to Council in about May or June. It needed to coincide with the finalization of the City's updated system development charges (SDC's).

Councilor Woodrow asked if both private residents and businesses paid a stormwater fee for the amount incurred.

Ms. Smith said residents paid a flat fee and businesses and industries paid an impervious service charge.

Councilor Woodrow asked if the Oregon Department of Transportation (ODOT) paid a fee for the highways that ran through the City.

Ms. Smith said they did not.

4. Thurston Fire Station #16: P20534.

Project Manager Carole Knapel presented the staff report on this item. On October 15, 2007, the Council approved the Functional and Space Program for the Thurston Fire Station #16 Project and directed staff to proceed with the design of a facility which would incorporate Best Management Practices and which would address issues of gender neutrality, ADA accessibility, turnout and equipment storage "Blue Line" separation and apparatus storage. The Council authorized the project to include approximately 9550 square feet.

The project design team has been working with representatives of the Fire Life Safety Department, Development Services, and IT to develop a building layout which incorporates the Functional and Space Program as approved by the City Council. Because of the site limitations, the project team has developed a two-story option as well as a single story option. The project team has identified the advantages and disadvantages of each option, as well as the construction cost for each option.

In order to provide for public review and comment on each option, two Open House sessions have been scheduled. On January 15, there will be an Open House at City Hall and on January 17, there will be an Open House at Thurston High School. Attendees will be asked to provide comments on each option.

At the Council's Regular Session on January 22, 2008, the project team will present the options as well as all public comments and will request that the Council direct staff to proceed with the design of their preferred option. A summary of the budget and cost estimates for the design options is shown below.

Construction Budget \$1,766,750

Single Story (Pitched Roof)	\$1,697,000
Two Story (Pitched Roof)	\$1,955,000
Two Story (Low Pitch Roof)	\$2,051,000 with stucco exterior
Two Story (Low Pitch Roof)	\$1,979,000 without stucco exterior

Ms. Knapel introduced City staff members Carol Stineman, Engineering Technician working on the project, and Mark Walker, Deputy Chief of Operations in the Fire and Life Safety Department. She also introduced Paul Bentley, architect; Eran Schlesinger, Landscape Architect; Jennifer Holcomb, KPFF Engineering; and Rodney Stewart, Project Team Member and Vice-President of International Association of Fire Fighters (IAFF). The plans represented the work done by the entire team.

Ms. Knapel referred to the diagram of the one-story option. She discussed the advantages and disadvantages of this option.

Mr. Walker discussed the future option of adding a training tower to the site no matter which design was chosen. That tower would be very small and basic.

Ms. Knapel continued with her discussion on the one-story option.

Councilor Pishioneri asked about the training conference areas and if they would be available for public use.

Mr. Walker said there were security concerns because there were not always Fire personnel available to oversee meetings. The building had been designed, however, to accommodate public meetings hosted by the Fire Department. They would be held in the conference room that was close to the public entrance and the American with Disabilities Act (ADA) public restroom. There was some separation between the conference room and the operational side of the building, more so with the two-story design.

Ms. Knapel referred to the two-story option with the flat roof. She discussed the advantages and disadvantages of this option. She noted that the two-story option allowed for future growth if needed. The cost of both two story options was more than the one-story option.

Ms. Knapel referred to the two-story option with the pitched roof. The Development Services Department (DSD) Director would make the decision on a variance for the height restriction. She discussed the advantages and disadvantages for this option.

Councilor Wylie asked about the square footage for the one-story and two-story options.

Mr. Bentley explained why there was a difference in square footage between the one-story and two-story options. Much of it related to the elevators and stairs in the two-story options.

Councilor Woodrow asked about the personnel capacity for the one-story.

Ms. Knapel said the one-story and two-story options both had the same personnel capacity of six.

Councilor Woodrow asked if all points could be reached from Station 16 within four minutes.

Mr. Walker said they could reach all points within four minutes.

Councilor Woodrow asked how that would be affected if the urban growth boundary was moved to the east.

Fire Chief Dennis Murphy said unless it went out to Cedar Flats, it would continue to be able to serve east Springfield from its current location.

Councilor Ballew said she liked the one-story and wanted the pitched roof. She didn't expect they would be expanding at that location, but rather building at other locations to address growth. She felt there was less impact with the one-story option. It was on target with the budgeted amount.

Councilor Lundberg said the one-story design was within budget, fit in the neighborhood, and fit for future growth. She agreed that it wasn't often that the public was in the fire station. Expanding this fire station was not likely. It would be more likely we would add another station at another location. She asked if any other fire stations had been expanded in Springfield. Yes, Fire Station #3 at 28th and Centennial. Councilor Lundberg noted that the design would go through the public process.

Ms. Knapel noted the dates, times and locations of the two scheduled open houses.

Councilor Wylie said the one-story met their needs, came in on budget, and was a good use of space. She would not support a flat roof.

Councilor Ralston said he liked the non-stucco and liked the look of the two-story pitched roof option.

Councilor Pishioneri thanked staff for the options. He felt the flat roof option was not a good option. The single story design was within the budget, good for the area and matched surrounding architecture. He looked forward to hearing the public comment. For the value, he felt the single story was best at this time.

Mayor Leiken asked if the firefighters had a preference.

Mr. Stewart said any option would be better than their current situation. Operationally, the more space they had at this station the better. The reason they chose a two-story design was to make the structure, including the rooms the size they needed, fit on the site with room available to add a fire hydrant and for more training. The smaller footprint of the two-story made sense. He noted the number of times the public did come by the station for a variety of reasons, and noted the nice public access on the two story design. The architect had said they could make a focal point at the corner of 68th and Main identifying the building as a fire station. The footprint was the largest asset. He explained some of the benefits with more land space available.

Mayor Leiken asked about the life expectation of this station on that site.

Chief Murphy said about fifty years. The only thing that would change that was if we extended our UGB much farther east than we currently envisioned. Another option would be to create sur-teams, such as an evacuation site like they had in Eugene. He discussed the limitations if the building took up the entire site. Springfield's current fire stations were generally only used by the public by event. The Gateway station permitted that type of activity. Fire and Life Safety Personnel would be appreciative of any option.

Mr. Walker said one of the considerations also discussed was that the two-story gave them the option for expansion. He discussed the unforeseeable future needs for this station over the next 50 years and the options available with the two-story.

Mayor Leiken said he concurred with Councilor Ralston that the two-story building was best. He understood that the Council was the stewards of the public's money, but they were also stewards of what our city should look like in the future.

Councilor Ralston said the two-story pitched roof better fit the needs and allowed flexibility. He didn't feel the additional cost was unreasonable for a building that would last fifty years.

Councilor Wylie said she could be persuaded. Some good points were made in regard to looking to the future.

Councilor Pishioneri said he hadn't heard potential options regarding the property surrounding the current site. There could be land available to purchase at a later date if expansion was needed. He was looking at being a steward for the City, staying under budget and meeting the needs of the community and firefighters. He further discussed the additional cost of building the two-story.

Discussion was held regarding maintenance costs of each option, costs for additional land purchased in the future if needed and costs overall.

Chief Murphy discussed the reasons for building two-story. He noted that in Thurston, they could still do a one-story.

Councilor Pishioneri discussed the access on South 68th Place and said it would be better than off of Main Street. He asked if the building would be moved forward from its current location.

Ms. Knapel said placement on the site hadn't been finalized.

Mr. Bentley said it could be moved closer to the front as long as there was still room for parking apparatus up front.

Councilor Woodrow asked about the number of estimated parking spaces in the one-story compared to the two-story.

Ms. Knapel said there were twelve parking spaces for staff and four for guests, including one ADA parking spot. It was the same for all designs.

Mr. Schlesinger explained why the parking spaces were the same for both options.

Councilor Lundberg said the station was just now starting to meet the needs for this area. She was not foreseeing that we would need anything more for a long time. The one-story option was within budget. She discussed the Justice Center and that they had to stay within budget for that project. In all fairness, the costs set for the fire station should stay within that budget. She liked that it fit into the neighborhood better and was fulfilling the needs of the community. It was important to be wise with the taxpayers' money. She noted the conditions the firefighters were currently living in and how any of the options would be a nice improvement.

Councilor Pishioneri said he spent a shift with the firefighters at the station. The current circumstances were very rough. The one-story design fit the needs, but he was still open to the other options.

Councilor Lundberg reminded Council that there would be two open houses.

Ms. Knapel said the first was scheduled for Tuesday, January 15, from 5-7 p.m. in the City Hall lobby, and the second was scheduled for Thursday, January 17, from 5-7 p.m. in the Thurston High School Cafeteria. Council could hold off on their decision until February 4 if needed.

Mayor Leiken called for a five minute break 7:45p.m. – 7:53p.m.

Council reconvened at 7:53p.m.

5. Request to Allocate Contingency Funds to the St. Vincent DePaul (SVDP) Project.

Housing Assistant Jodi Peterson and Development Services Director Bill Grile presented the staff report on this item. The City has partnered with SVDP in the effort to provide affordable housing to very low-income seniors in our community since 2003 when SVDP proposed to construct a 55 unit, three story affordable housing facility in Springfield using HUD 202 funds. In 2003 the City awarded \$330,000 in Community Development Block Grant (CDBG) funds to SVDP to purchase the site at 3rd and S Streets. The HUD 202 funds are awarded through a competitive application process. Site control is key to a successful application. With the City making the first commitment and investment in the project, SVDP aggressively pursued the HUD 202 funding. Three funding rounds, years and applications later, SVDP received an award of \$5,181,000 in HUD 202 funding in November 2006.

SVDP immediately encountered a funding gap for the \$6.2 million dollar project. The gap was attributed to the loss of future Lane County Road Funds designated for affordable housing projects and additional City requirements for sewer and storm water when developing the site (due in part to the seller not disclosing certain issues with developing the property and changes in the requirements for storm water and sewer since the purchase in 2003). In funding year 2007 SVDP applied for and was awarded \$330,000 in HOME Investment Partnership funding. At this point, the City has committed \$660,000, total, to the project. Once SVDP received the award from the City they began the plan review process and the documents required by HUD to release the HUD 202 funds. Late in that process SVDP discovered that approximately \$111,000 in Willamalane SDCs were due as part of the permitting fee. These charges were not communicated to SVDP, and thus were not part of the original budget process and original request for HOME funds. Staff is reviewing internal procedures to ensure that this situation is avoided in the future.

SVDP staff recently indicated that final paperwork required for release of the grant is due to HUD by January 25th. SVDP stressed that it cannot proceed with HUD's process if there is a funding gap and it stands to lose the \$5,181,000 HUD 202 funding with a known shortfall.

Staff is certain that had SVDP known of the additional project costs at the time of the second application for funding, it would have requested additional funding at that time. Staff also acknowledges some responsibility for the shortfall as we could have recognized the issue earlier.

Although it is customary for projects of this size to have a contingency budget, the Federal funds do not allow funds to be awarded for the sole purpose of anticipating the unexpected. Instead, HUD allows the City to allocate additional funding to a project while it is still underway. There are HOME contingency funds available to cover the SVDP shortfall. A contingency funding award of \$99,000 to this project would adequately meet SVDP's needs and not deplete the fund or preclude the City from assisting other non-profits.

Awarding contingency funds of up to 30% of the project award is a routine matter and is part of the City's Consolidated Plan and has been approved by the City Council. This action can be taken administratively by staff without going through the public process. The importance of the project and the dollar amount requested prompts to seek Council guidance here.

Staff would draft the amendment to allow for only enough funding to fill the project gap. SVDP has indicated that they can use other grant funds to cover the \$12,000 difference between a HOME contingency award and the actual Willamalane SDCs fee. If they are required to wait until the next funding round to request additional funding the project will be idled and a construction season will be lost. Without HOME funds to close the gap SVDP may lose the \$5,181,000 award from HUD.

Councilor Ballew said she as supportive. St. Vincent DePaul had shown they delivered on time and even early.

Councilor Pishioneri asked if the City provided exceptions or reductions to non-profits for SDC's.

Ms. Peterson said the City did not.

Mr. Grile added that the City had no discretion but to collect Willamalane's SDC's.

Mr. Grimaldi said the City had not forgiven SDC's on a project, including schools.

Ms. Peterson noted that the City made other allowances in planning fees.

Councilor Pishioneri said it was a great project and it would be foolish to say no.

Councilor Wylie said she was very supportive of this project. It was part of the partnership when the City was looking at low-income housing and suitable housing for people that may be displaced. It looked like we had a workable solution.

Mr. Grile said staff would draft an amendment to the plan and bring it back to Council.

Ms. Peterson said the project had a completion date of December 2008.

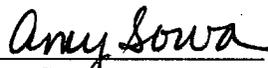
ADJOURNMENT

The meeting was adjourned at 7:57 pm.

Minutes Recorder – Amy Sowa


Sidney W. Leiken
Mayor

Attest:


Amy Sowa
City Recorder