City of Springfield
Regular Meeting

MINUTES OF THE REGULAR MEETING OF
THE SPRINGFIELD CITY COUNCIL HELD
MONDAY, NOVEMBER 17, 2008

The City of Springfield Council met in regular session in the Council Meeting Room, 225 Fifth Street, Springfield, Oregon, on Monday, November 17, 2008 at 7:06 p.m., with Mayor Leiken presiding.

ATTENDANCE

Present were Mayor Leiken and Councilors Lundberg, Wylie, Ballew, Ralston, Woodrow and Pishioneri. Also present were City Manager Gino Grimaldi, Assistant City Manager Jeff Towery, City Attorney Joe Leahy, City Attorney Matthew Cox, City Recorder Amy Sowa and members of the staff.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Mayor Leiken.

SPRINGFIELD UPBEAT

CONSENT CALENDAR

Councilors Lundberg and Woodrow pulled Item 1.b and announced a conflict of interest because payments included in the October disbursements included payments to their employers.

IT WAS MOVED BY COUNCILOR LUNDBERG WITH A SECOND BY COUNCILOR WOODROW TO APPROVE THE CONSENT CALENDAR WITH 1.B REMOVED. THE MOTION PASSED WITH A VOTE OF 6 FOR AND 0 AGAINST.

1. Claims

   a. Approval of September, 2008 Disbursements for Approval.

2. Minutes

   a. October 20, 2008 – Work Session
   b. October 20, 2008 – Regular Meeting
   c. October 27, 2008 – Work Session

3. Resolutions

   a. RESOLUTION NO. 08-49 – A RESOLUTION TO ACCEPT P50434, JUSTICE CENTER LOW VOLTAGE WIRING PROJECT.

4. Ordinances

   a. ORDINANCE NO. 6232 – AN ORDINANCE REPEALING SECTIONS 2.600 THROUGH 2.632, SPRINGFIELD MUSEUM BOARD, OF THE SPRINGFIELD MUNICIPAL CODE.

5. Other Routine Matters

   a. Approval of the Liquor License Endorsement for Wynant's Family Health Foods, Located at 722 So. "A" Street, Springfield, Oregon.
   b. Approve an Amendment to the Contract with Galardi Consulting, LLC to Provide Services in Connection with the Ongoing Update to the City's Local System Development Charge Methodologies and Rates and to Authorize and Direct the City Manager to Execute the Agreement on Behalf of the City.

ITEMS REMOVED

1. a. Approval of October, 2008 Disbursements for Approval.

IT WAS MOVED BY COUNCILOR BALLEW WITH A SECOND BY COUNCILOR PISHIONERI TO APPROVE ITEM 1.B. THE MOTION PASSED WITH A VOTE OF 4 FOR AND 0 AGAINST (2 Abstentions – Lundberg and Woodrow).

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. Neighborhood Stabilization Program (NSP) Funds for Springfield.

Housing Manager Kevin Ko presented the staff report on this item. Prompted by the alarming increase of foreclosed and abandoned properties, the US Department of Housing and Urban Development (HUD) has authorized an allocation of $3.92 billion nationally to assist states and local jurisdictions in responding to this issue. The City of Springfield has submitted a form to the State showing preliminary interest in receiving an allocation of NSP funds. The City must inform HUD and the State of Oregon of the City's intent to accept the funds.

At a work session on October 27, 2008, staff described a new funding opportunity being presented to Springfield. Congress has authorized HUD to create a new Neighborhood Stabilization Program to help municipalities deal with the increasing number of residential foreclosures. This will be accomplished by targeting emergency assistance to state and local governments to acquire and redevelop foreclosed properties that might otherwise become sources of abandonment and blight within their communities. Oregon is authorized to receive $19.6 million of NSP funds (for comparison California is receiving $529.6 million).

Oregon Housing and Community Services (OHCS) described how the state intends to distribute the funds to CDBG entitlement communities (Attachment 1 in the agenda packet). The formula is based on the percentage of sub-prime loans made, foreclosures rates and high cost loans to each municipality vs. the total for the state. According to the data provided, Springfield's percentage is 1.9% of the state's total. The amount that Springfield can expect to receive from the state under

this funding scenario is $363,466. OHCS revised their method of calculating allocations, and this amount is significantly higher than the $278,216 originally described at the October 27, 2008 work session. Eight percent ($29,077) of the NSP funds received can be used for program administration.

Funds may be used by municipalities to acquire and/or redevelop foreclosed residential properties, establish financing mechanisms for purchase and redevelopment of foreclosed homes and residential properties, establish land banks for foreclosed homes, demolish and/or redevelop blighted structures and redevelop vacant properties. All funds must be used within the statutory deadline of 18 months from receipt of the funds by the State. These funds must generally be treated as CDBG with a few changes and additional requirements. HUD made it clear that NSP funds are not to be used to "bailout" households facing foreclosure, and they are not intended to benefit banks holding foreclosed properties.

Mr. Ko referred to a map in the Council packet which showed the neighborhoods in Springfield where these funds could be used, which included about 80 percent of the City. At the preliminary meeting on this subject before Council, there were some questions which he addressed:

- Sheriff's Sales: The City could participate. Depending on the price of the property, a minimum of 25% would need to be put down in cash.
- Income Eligibility: For this program, the income limit was raised to 120% of median income, so it was being called a low, moderate and middle income program.
- Eligible Property: For property to be eligible, it needed to be located in the areas shown on map.
- Price: The price the City, non-profit or individual could acquire with these funds had to be below market value by at least 5%, with the aggregate discount of 15%. Staff would work with Council to decide how this would work.

Mr. Ko said he had an inquiry about whether these funds were restricted to U.S. citizens. Mr. Ko said he called Housing and Urban Development (HUD) who told him clearly that the City did not have the authority to ask for legal citizenship, there were other Federal agencies that did that. For housing and public services, the City served whoever qualified. The funds could be used for demolition and redevelopment of non-residential properties. There were certain stipulations if the funds were used in that way. He explained.

Mr. Ko said the funds were designed for home-buyer assistance, similar to the SHOP program currently provided by the City. The subsidy could be expanded to individual households up to $50,000. This provided leverage to get the houses turned around. The houses must be foreclosed upon. Any program income earned from the NSP would be returned to State or HUD depending on the timing of receipt of the income. It was not program income the City could keep and reuse. He noted cases where there could be relocation issues.

Mayor Leiken asked for clarification on the income level.

Mr. Ko said the limit on CDBG funds was 80% of median income. The limit for these funds was raised to 120% of median income. He noted that 25% of the funds must be used for low income people, so the city would need to design a program to accommodate both. He said 120% median income was about $50,000.

Councilor Ralston asked for the distinction of qualifying locations on the map.

Mr. Ko said eligibility of neighborhoods was based on number of subprime loans, foreclosures, and high cost loans and the percentage distribution and greatest need. The neighborhoods were identified by the State. He referred to the Table on Attachment 1 in the agenda packet which showed those figures.

Councilor Woodrow asked what would happen if the funds were not spent by the 18 month State deadline.

Mr. Ko said the City needed to spend it before the deadline in order to get all reports back to the State and the State could report to HUD. The State was giving the City about a year, and any unclaimed funds at that time would go to the State where it would be redistributed.

Councilor Ballew asked if the three categories in the chart were equally weighted.

Yes.

Councilor Ballew asked if the City would be the program administrator.

Mr. Ko said he would recommend that if the City ran the program like the SHOP program, the City would administer that program. The other option would be to turn it over to a non-profit to run.

Councilor Ballew asked if the State was doing a direct program service.

Mr. Ko said yes for small non-entitlement cities. The State would design the program and small cities would divide the funds as the State determined.

Councilor Pishioneri asked why Lane County was not a recipient.

Mr. Ko said the chart showed CDBG entitlement and Lane County wasn't a CDBG entitlement jurisdiction so they would have to apply to the State for the funds.

Councilor Pishioneri asked how much FTE it would take to administer this program.

Mr. Ko said that was difficult to say. There was some administration funding within the fund. With the compressed timeline, a lot of staff time would be spent on these funds in the early part of 2009 to get the funds spent. It would probably take a full time FTE during that time.

Councilor Pishioneri asked if that would put the City in the negative in terms of staff costs.

Mr. Ko said there wouldn't be a cost to the City, but staff would have to absorb some of this work. He didn't anticipate needing to add staff for this program. There were ways to move the workload to accommodate if the program was approved by Council.

Mayor Leiken asked that Mr. Ko provide follow-up on the administration in about 6 months. Yes.

Councilor Ballew asked if the County had chosen not to be a CDBG recipient.

Mr. Ko said his understanding was that they didn't qualify. CDBG was more of an urban program and Lane County was more rural.

Councilor Ballew asked if this program was self-contained, or if there was something that would require a long-term requirement from local government.

Mr. Ko said the only thing the City would have to do on a continuing basis was to monitor the affordability of the homes, similar to what they do for the HOME program now. They would need to make sure that if the homes were resold, they needed to be resold to households that qualified. That would continue for about five years.

Councilor Wylie asked how they would get lists of foreclosed properties and get the information out to the community.

Mr. Ko said he had looked at online resources, but the City would have to be enrolled to receive those lists. Locating those properties would be the toughest thing to do in this program.

Councilor Wylie said there could be some policy issues about whether or not the City wanted to look at those properties first to acquire for redevelopment.

Mr. Ko said during the summer, Council made a motion to approve acquiring property if it was beneficial to the citizenry. Council had that opportunity and was allowed to land bank.

Mayor Leiken opened the public hearing.

1. Curtiss Greer, 357 55th Street, Springfield, OR. Mr. Greer said he had called to talk to Mr. Ko about these funds. He grew up when this wasn't available to anyone and was now paying for this to be available to others, which was fine. He was concerned that these funds did not go to people that were unlawfully in this country. There was too big of a problem with that now. He noted Mr. Ko's comment that the City couldn't ask for citizenship, and said it wasn't a matter of being a citizen, but of being in the country legally. He felt the City should make sure these funds were only allocated to people that were here lawfully.

Mayor Leiken closed the public hearing.

Councilor Ballew asked Mr. Ko to provide an informational memo regarding the options for the City acquiring properties and other good uses for the money before they set up the program.

Mayor Leiken asked Mr. Ko to check the State statutes in reference to Mr. Greer's question. He understood that it would be nearly illegal for the City to be involved in that type of inquiry at all.

Mr. Ko said that was HUD's interpretation as well.

Councilor Lundberg said she was always happy to accept Federal funds to help our community. She had every confidence in our community to do the right thing with these funds.

Mayor Leiken asked Mr. Ko to clarify that this was not part of the Federal bailout.

Mr. Ko said that was correct. HUD was clear this was not designed to help people avoid foreclosure. HUD or the State would not accept any program submitted by the City that even looked like a foreclosure program.

IT WAS MOVED BY COUNCILOR LUNDBERG WITH A SECOND BY COUNCILOR WOODROW TO APPROVE RECEIPT OF APPROXIMATELY $363,466 OF NSP FUNDS FROM THE STATE OF OREGON. THE MOTION PASSED WITH A VOTE OF 6 FOR AND 0 AGAINST.

COUNCIL RESPONSE

BUSINESS FROM THE AUDIENCE

CORRESPONDENCE AND PETITIONS

BIDS

ORDINANCES

BUSINESS FROM THE CITY COUNCIL

1. Committee Appointments

2. Business from Council

    a. Committee Reports

        1. Councilor Ballew said there was not much to report on the MPC.

BUSINESS FROM THE CITY MANAGER

1. Bid Award for Project P21002: Signal Modification 2008.

Civil Engineer Jeff Paschall and Traffic Engineer Brian Barnett presented the staff report on this item. Public Works has advertised for bids for project P21002, Signal Modification 2008, and received five bids for this work. Staff now seeks direction from the City Council concerning funding and award of the contract.

On October 13, 2008 Council directed staff to review each street project for necessity as it came forward, because of anticipated shortfalls in Street Fund revenue. With the timing of the advertisement for this project and the conversation with Council, this project did not receive a review of its funding and necessity prior to being advertising for bids.

The low bid was 14% over the engineer's estimate, however sufficient funding for the traffic signal replacement at the 14th and "E" Street intersection has been transferred from another project account within the Street Fund (Wayfinding for Low Vision Users, 434-62261-860013). For the remainder of the operations and maintenance project work sufficient funds are budgeted in the Street Fund contractual services account (201-62261-611008).

Since the 14th and "E" Street signal replacement is the only piece of this project that has been directed by the Council, staff explored the idea of a partial award of the contract. However, it was viewed by legal counsel that the scope of the project would be changed too significantly to allow a partial award. Staff has also reviewed the capital budget for an alternate funding source. This project is only eligible to be funded through the Street Fund or Transportation Reimbursement Systems Development Charges (SDCs) Fund (446). Within fund 446, the Street Seal and Overlay project account (850008) currently has $344,000 and transferring approximately $75,000 would leave enough funding for a small street preservation project this fiscal year.

Staff seeks Council direction concerning the award or rejection of the bid, with three options under consideration: 1) award the contract as bid with the current funding plan; 2) award the contract as bid and change the funding to utilize SDC funds instead of Street funds; or 3) reject all bids due to budgetary constraints and re-bid for only the 14th and "E" Street signal replacement work.

Mr. Barnett described the different locations that were part of this bid award: Intersection Modification 28th and Main (four phases); Intersection Modification 14th and E Street Intersection; Left turns at several locations and addition of flashing yellow light rather than current light (he explained); Tattle Tale lights, which would allow law enforcement officer downstream from intersections to identify people that ran red lights.

Councilor Pishioneri discussed the flashing yellow light and asked if there were issues with the controlled signal at the Coburg/Beltline eastbound intersection.

Mr. Barnett said because that was in Eugene, he didn't have any information on issues with that light.

Councilor Pishioneri asked if there would be education for the public if this new light was installed. It seemed that the lights should be standardized with the other nearby cities.

Mr. Barnett said Eugene was moving to the flashing yellow light rather than the solid green for unprotected. The flashing yellow was also now the Oregon Department of Transportation (ODOT) standard. He noted that this new signal was more intuitive to drivers. As signals in Springfield were reconstructed, it was his plan that the City would use this new signal.

Councilor Ralston asked about the Tattle Tale lights.

Mr. Barnett said it was a way for the police officer to be beyond the intersection and able to look back, and see vehicles coming through the intersection as well as the indicator light. When the indicator light illuminated the phase was red, the officer could see where the vehicles were in the intersection when the light turned red. The officer could allow the vehicle to pass them and make a traffic stop, rather than having to also run the light in order to pursue the offender. This was proposed at several locations. He noted those areas.

Councilor Ballew asked if staff would recommend taking money from the Street Fund, SDC Fund or a combination.

Mr. Barnett said funds for the 14th and E Street signal would have to come from the Street Fund.

Councilor Lundberg asked Mr. Barnett to review the options for the motions.

Mayor Leiken said he appreciated the technical information, but felt it should have come to Council in a prior work session before asking for action.

Mr. Paschall said this was out to bid prior to Council's direction to delay all work. The first option was to reject all bids. At the discretion of the Council, they could direct staff to rebid for any one unit. The reason they put that option in was because legally the City couldn't alter the contract to that degree. The second motion would be to award the bid and utilize the Street Funds fully as currently budgeted. The final motion would be to award the contract and direct staff to transfer funds from the Transportation Reimbursement SDCs to this project from the slurry seal overlay project.

Councilor Lundberg said if Council rejected all bids, that didn't negate what was there. They could open up the process again after some time to learn about the units.

Mr. Paschall said that was correct.

Mr. Grimaldi said if Council rejected the bids, staff would recommend not bringing this back until some of the Street Fund issues were resolved. The SDC issue was also being discussed with Council. Rejection would put everything on hold for some time.

Councilor Ballew asked the engineers for clarification on the cost estimate on the intersection at 14th and E.

Mr. Paschall explained the costs. Because it was bid for all projects, Council either needed to accept everything or reject it all at this time.

Councilor Ralston said he didn't like all or nothing propositions. He noted the difficulty in turning at the intersection on 28th. He felt it was the only one that was important enough to proceed. He didn't recall that Council had made a decision on 14th and E Street. He felt that Units 3, 4 and 5 were not critically important. He would not be supportive of the bid award.

Councilor Ballew said as time went by, all expenses would go up. The low bid was already $14,000 over the engineer's estimate. She was ready to move forward to get these projects done.

Councilor Pishioneri said he approved of the full package.

Councilor Woodrow said he felt it would be best to reject the bids and ask staff to come back with information on contracts for the individual projects. That would allow Council to pick and choose and could give staff time to figure out the SDCs and get the Road Fund in better condition. He asked about the time frame if these needed to come back.

Mr. Barnett said it would take about three months to rebid the individual projects.

IT WAS MOVED BY COUNCILOR LUNDBERG WITH A SECOND BY COUNCILOR WOODROW TO REJECT ALL BIDS RECEIVED FOR THE SUBJECT CONTRACT. THE MOTION WAS PASSED WITH A VOTE OF 4 FOR AND 3 AGAINST (Tie broken by Mayor Leiken).

BUSINESS FROM THE CITY ATTORNEY

ADJOURNMENT

The meeting was adjourned at approximately 7:50 p.m.

Minutes Recorder Amy Sowa

Sidney W. Leiken
Mayor

Attest:

Amy Sowa
City Recorder