

City of Springfield
Work Session Meeting

MINUTES OF THE WORK SESSION MEETING OF
THE SPRINGFIELD CITY COUNCIL HELD
MONDAY, JANUARY 11, 2010

The City of Springfield Council met in a work session in the Jesse Maine Meeting Room, 225 Fifth Street, Springfield, Oregon, on Monday, January 11, 2010 at 5:53 p.m., with Mayor Leiken presiding.

ATTENDANCE

Present were Mayor Leiken and Councilors Ralston, Leezer, Simmons, and Pishioneri. Also present were City Manager Gino Grimaldi, City Attorney Joe Leahy, City Recorder Amy Sowa and members of the staff.

Councilors Wylie and Lundberg were absent (excused).

1. 2009 Annual Financial Report.

City Accounting Supervisor Nathan Bell presented the staff report on this item. He distributed a letter from the auditor which highlighted some of the audit findings. In accordance with Oregon Statutes and the City's charter, the City was required to complete an annual audit and financial statement. The report would be presented to the City Council for acceptance at the January 19, 2010 regular meeting on the consent calendar.

Grove, Mueller & Swank, the City's independent auditors, completed their audit of the City's 2008/2009 CAFR and issued their opinion thereon. As a preliminary summary for the Council's information, it was noted that the auditor's found no material weaknesses in the City's internal financial controls and they issued a "clean opinion" on the City's financial statements. This meant that the City was properly accounting for its resources and using adequate financial controls to help prevent the improper use of those resources.

Mr. Bell noted that the production of the City's CAFR was a process that started in April and progressed until the final report was submitted to the GFOA (Government Finance Officer Association). The report was filed electronically, which saved the City time and money. A number of goals and targets had been set by the City for this year's report. He noted that a limited number of bound copies would be prepared in early February 2010, and he could provide a copy to anyone requesting it.

Mr. Bell acknowledged the following staff for their assistance with this report: Accounting Tech Mary Smith, Accountant Meg Allocco, and Accountant Sally McKay. He urged the Council to read the Management's Discussion and Analysis (M, D and A), which was a good summary of the report.

Mr. Bell introduced Chuck Swank from Grove, Mueller & Swank. Mr. Swank said he was here to answer questions from Council about the audit. He discussed the letter that was distributed to the Mayor and Council which was to provide to them in writing the results of the report. He referred to the power point that was presented by Mr. Bell in conjunction with Mr. Swank's report.

Mr. Swank discussed the independent auditor's report which stated that the financial statements presented fairly. The auditor had to adhere to government auditing standards put out by the Federal government because the City was a recipient of Federal funds in excess of \$500,000. There were no

findings or recommendations related to expenditure of Federal dollars. A different set of Federal dollars were audited each year on a rotating basis. He discussed the Management's Discussion and Analysis (M, D and A):

Mr. Swank went over the statements included in the report and explained each. The statements were the best place to monitor the City's finances.

Councilor Ralston said the report showed that the City took out \$2M from the General Fund reserves. He asked about the amount Council had approved for FY08/09.

Mr. Duey said there were several supplemental budgets submitted through the year that affected that amount.

Mr. Swank explained the budget for FY08/09. He referred to page 62 of the report which showed the actual expenditures against the budget.

Councilor Simmons asked about the business activity in the documents and information regarding the sanitary sewer assets. He referred to the Governmental Accounting Standards Board (GASB) ruling.

Mr. Swank referred to the Statement of Assets in the report, and explained that the amount listed for sanitary sewer was the net depreciated cost of that system. Proprietary funds or business type funds were not changed by GASB 34. They always reported on the full accrual basis. In looking at the budgetary statements for the sanitary sewer funds, only showed actual. He further explained.

Councilor Simmons asked further questions regarding maintenance costs and capital costs.

Mr. Swank explained.

Mr. Grimaldi said the majority of the rehabilitation work had been done this year, FY09/10.

Mr. Swank further discussed the report regarding insurance coverage after retirement and how that was calculated. Not everyone that retired from the City took advantage of that benefit.

Mr. Grimaldi said it was a change in reporting, not in the actual expense.

Mr. Swank discussed the Federal and State compliance requirements and noted that the City had too much in the State pool a couple of times during the year. That was noted in the report, but should not be an issue.

Councilor Simmons asked why the City went through GFOA.

Mr. Duey noted the many benefits of belonging to that organization.

Mr. Swank said many local agencies belonged to GFOA.

2. Update on the Public Facilities and Services Plan (PFSP) Amendment.

Assistant Public Works Director Len Goodwin presented the staff report on this item. Staff had been unable to implement a new Systems Development Charges (SDC) methodology for the stormwater

system as adopted by the Council in July, 2009. Staff sought Council's direction concerning various alternatives that could be used to allow the implementation to proceed.

In 2008, the City Council adopted a new Stormwater Facility Master Plan (SWFMP) that identified multiple projects to address current and future flooding and water quality concerns. On November 3, 2008, the Council initiated an amendment to the PFSP to incorporate those projects. At the conclusion of a Joint Elected Officials meeting with the Lane County Board of Commissioners on July 22, 2009, the Council adopted an ordinance approving proposed amendments to the PFSP to add the new stormwater projects and remove completed projects. At this time, the County Commissioners have conducted six readings of their ordinance, and have deferred action pending a broader work session with County staff on stormwater management issues. While a seventh reading was scheduled for February 3, 2010, there was no sense of certainty that the Commissioners would have any greater resolution of the issues the City had worked on resolving to the satisfaction of the property owners in the rural areas who provided testimony.

Since some of the new projects were outside of current city limits, and in some cases outside of the Urban Growth Boundary, the ordinance adopted by the Council did not become effective until an identical ordinance was adopted by the Board of County Commissioners. As a result, the City had been unable to implement an updated Stormwater Systems Development Charge Methodology which the Council adopted on July 20, 2009. Before the new Stormwater SDC rates could be adopted and become effective, the PFSP must be amended to demonstrate that the SDC Project List was consistent with the applicable land use plans.

There was an alternative approach, which staff was recommending, which would allow the City to amend only that portion of the PFSP which impacted property within the City limits. That alternative did not require co-adoption by the Board of County Commissioners. Staff would review that alternative and seek Council direction on whether or not to present a modified proposal for action.

Mr. Goodwin discussed the amendment to the PFSP that the County was still considering. He explained the alternative of a single jurisdiction amendment and the projects that would be removed for this alternative. Those projects that were to be removed could be less of an impact than it appeared. He noted the Glenwood channel improvements as an example. The City could still move forward on any channel improvements within City limits. If development occurred in Glenwood, it would be accompanied by annexation, which would bring all the properties within the City limits. He discussed the project in the current PFSP list in Jasper Natron, which could be done upon annexation.

Mayor Leiken said based on the ability to proceed on areas that annexed into the City, he was supportive. He spoke specifically of the opportunity for the TIGER grant for Franklin Boulevard in Glenwood.

Councilor Simmons said if they didn't adopt the PFSP, it affected the SDC's. Springfield had already adopted the PFSP, had met with Lane County Board of Commissioners (LCBC), and had City staff present additional information as requested to the LCBC. He asked if the City adopting a single jurisdiction amendment would jeopardize the SDCs.

Mr. Goodwin said if Springfield adopted a single jurisdiction amendment, staff would recalculate the changed SDCs. Staff had done a preliminary calculation and there was only a small change. If a single jurisdiction amendment was adopted, staff would bring back the SDCs in March. Most likely, the rate resulting from that discussion would only be different by a couple of pennies per square foot. If the City didn't move forward, they could take no action regarding stormwater SDCs.

Councilor Simmons asked about the legal effect of adopting a single jurisdiction amendment since they had already adopted the PFSP and established an SDC value based on that plan. At some point, the City should start collecting that SDC.

Mr. Goodwin said the City was currently collecting SDCs based on the 1970's PFSP.

Councilor Simmons said this was very frustrating having served on the committee that went through all of this information and formulated the SDCs. He felt it wasn't fair to those paying user fees.

Councilor Pishioneri referred to Mr. Goodwin's comment that the impact on SDC rates would be minimal. Because of the lack of movement from the LCBC, the City needed to do something in order to move this forward. He felt they didn't have a choice. He agreed with the single jurisdiction amendment.

Councilor Ralston agreed. He didn't want to wait for Lane County to figure out what they thought was right. The City needed to do what we needed to do. The projects wouldn't be needed until development or annexation occurred. He agreed with Option 2.

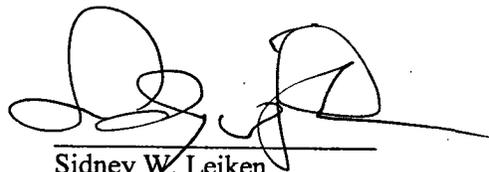
Mayor Leiken said there was no movement on Jasper Natron at this time, but Glenwood had more potential especially with the possibility of the TIGER grant.

Council consensus was to move forward with the single jurisdiction amendment.

ADJOURNMENT

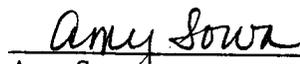
The meeting was adjourned 6:35 p.m.

Minutes Recorder – Amy Sowa



Sidney W. Leiken
Mayor

Attest:



Amy Sowa
City Recorder