

MINUTES OF THE WORK SESSION MEETING OF
THE SPRINGFIELD CITY COUNCIL HELD
MONDAY, JANUARY 25, 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 25, 2010 at 5:30 p.m., with Mayor Leiken presiding.

ATTENDANCE

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

1. 2010 Lane Transit District Bus Service Redesign.

Senior Transportation Planner David Reesor presented the staff report on this item. To prepare a balanced Fiscal Year 2010-11 operating budget, Lane Transit District (LTD) planners were in the process of identifying service cuts, and were examining personnel costs, materials and services expenditures and other cost-saving measures. LTD staff would present service issues to the Council and provide an opportunity to ask questions and provide comments.

On December 14th, 2009, LTD provided a brief memorandum to the City of Springfield describing its most recent transit service evaluation. This memo was provided to Council via the Council Communication packet. The memo explained that the dramatic reduction in payroll tax receipts this year had created a budget gap for LTD that must be filled through reductions in the operating budget. The attached memorandum from LTD further explained LTD's 2010 bus service redesign. Additional attachments in the agenda packet included:

- LTD PowerPoint presentation: Provides general overview of 2010 bus service redesign.
- Tier One Service Reduction Proposal: Chart representing the draft service reduction proposal.
- Tier Two Service Reduction Proposal: Chart representing additional services that may be cut if needed.
- 2010 Service Reduction / Redesign Proposal – System Map: Illustrates potential deleted routes, new routes, and existing routes which will not change.

LTD was currently identifying cuts to bus service hours of 20 percent or more. These plans were being vetted with the community between January and April, 2010. As part of this process, LTD staff would present bus service issues to the Springfield City Council during the work session and would be available to respond to questions and comments.

Mr. Reesor introduced Mike Eyster, LTD Board President.

Mr. Eyster noted that Mark Pangborn, LTD General Manager, and Andy Vobora, Director of Marketing and Communications from LTD were also in the audience if Council had questions. He presented a power point presentation which was included in the agenda packet. The first chart showed ridership, service hours, and population growth. The challenge faced by LTD was the decline of payroll revenues, which drove their budget shortfall. He referred to some of the solutions, many of which they had already implemented. Reducing service was the only alternative left to make up the deficit they faced.

Mr. Eyster referred to the goals during the redesign: maintain strong corridor service; maintain minimum urban route frequency of 60 minutes; ensure changes to low income and minority block groups were not disproportionate; and achieve budget goal.

Mr. Eyster referred to a map showing the system overview, and discussed the summary statistics. He discussed the system-wide effects of their cuts, including both the positives and negatives. Tonight was the first meeting with jurisdictions in the area, and they would be meeting with both Eugene and Lane County in the coming weeks. They would also be meeting with neighborhood leaders, the Metropolitan Policy Committee (MPC) Citizen Advisory Committee, and would hold public hearings.

Mr. Vobora referred to a map showing where service would be cut and he explained some of the changes. Core services would remain intact, but may not be running as frequently. The changes would be phased in over time, about 60% in June with the bulk of changes in September. All Springfield changes would go into effect at the opening of the EmX in January of 2011. He explained the changes for Springfield. Some of the changes were in areas that were heavily used and they were trying to connect major connections. He noted how the EmX line would affect some of the current routes. It was very challenging for their staff to make the routes for the ridership. Springfield would actually get a three percent net increase in service hours once the EmX was up and running.

Mayor Leiken asked about the timeframe for the EmX line on West 11th Street in Eugene.

Mr. Vobora said it was anticipated construction would begin in 2014-2015 if all went well. If the 11th Street EmX didn't go through, Main Street was an opportunity for an EmX line.

Mayor Leiken asked if LTD had talked with the Federal representatives about converting capital dollars to operational dollars. It seemed like LTD was capital rich and operational poor.

Mr. Vobora said they were able to do that with ARRA funds they received last year.

Mr. Eyster said they had applied for more stimulus money, but it would also be a one-time deal. Many transit districts around the nation were making the case that those funds needed to be converted.

Mr. Pangborn said the financing plan for West 11th EmX, was to receive the local share from State Lottery bonds and the rest from the Federal Government. If part or none of that came to be, they wouldn't be able to proceed. LTD did get Federal funds that came with some restrictions which they had used primarily for capital, but in certain instances could be used for operations. In their current budget, they had already moved some of those funds to the operational side. The reauthorization funds promised to allow funding for operations, but he wasn't sure when that would happen.

Councilor Ralston noted an error on the route map.

Councilor Leezer said the Pioneer Parkway EmX was scheduled to come online in 2011. She asked if the other lines would be deleted in conjunction with the opening of that EmX so there was no lapse in coverage.

Mr. Pangborn said that was correct. It would happen on a Sunday.

Mr. Vobora said LTD was actually looking at a \$6.5M shortfall, but were addressing half of that this year and half next year. They had challenges they were facing with this budget shortfall.

Councilor Wylie said she hated it when fares had to be raised. She asked if they had found that raising fares had reduced ridership.

Mr. Vobora said they had always done raises incrementally, so it didn't affect ridership. There were many other factors that changed along with fares that made it complicated. They were proposing a pass fare increase in July.

Councilor Wylie asked if reducing fares might increase ridership, making the buses more full.

Mr. Vobora said their buses were currently full. To mitigate the affect cutting service would have on capacity, they would be adding some of the sixty foot articulated buses.

Councilor Wylie asked how the group pass program worked.

Mr. Vobora said a small monthly fee was paid by the participating group, which was about ten percent of the cost of a monthly pass, for every participant in the business. It averaged out at about \$5/per person per month. They had about seventy-eight participating businesses. PeaceHealth was trying out a new program of distributing full price passes to only those employees that requested it, but would be evaluating whether or not there was any cost savings.

Councilor Pishioneri asked if there were plans to extend the EmX line to east Springfield. Yes. He asked about the timeframe for that line.

Mr. Vobora said they were just talking about what the 4th corridor of the EmX line would be.

Mr. Pangborn said once they had a decision on West Eugene in the fall, they would immediately begin a discussion about the next corridor. By the end of this year or the beginning of next, LTD would be coming back to the Springfield and Eugene City Councils regarding this issue. The first corridor connected the two cities, the second corridor was in Springfield, and the third would be in Eugene. The question would be where to put the 4th corridor. A lot of that would be driven by the funding from the Federal government. He liked the idea of a bus from Thurston that could go all the way out to WalMart on West 11th. They could then bring feeder buses into those EmX lines.

Councilor Pishioneri asked who was the decision body regarding that fourth corridor.

Mr. Pangborn said it would be the City Councils of Eugene and Springfield and the LTD Board. It could also go back to the MPC because it was a regional decision.

Mr. Vobora said one of the major things considered was ridership, and Main Street had a high ridership, making it a prime candidate.

Councilor Simmons said the weakness was the lateral movement in the neighborhoods. When LTD looked at east Springfield EmX potential, he didn't want them to forget the Booth Kelly corridor. LTD was facing a very tough budget issue. He noted that the Fairview line had never been very productive, but was sensitive because of the connection for the adult activity center. He felt LTD had made a realistic decision. The test would be whether or not they were willing to restore service. He liked the change in the Mohawk area. With the increase in activity in that area, LTD was a critical part. He felt LTD should be part of TEAM Springfield because they were part of the delivery service in Springfield and had an important role. He noted that Ride Source was an issue, and something the legislature

needed to review. It was critical that the senior and disabled services were funded. Once the Jasper Natron area was developed, LTD would need to look at that area. They had a tough decision, but it was in good hands. They had to balance their budget.

Councilor Ralston said it was always tough to make cuts. He was not opposed to what they had done. He felt there were a lot of people riding the bus because it was cost effective, and raising fares was not an unfair thing to do. He would like them to consider raising it more. Those using the system should pay for it. He suggested cutting service to five days a week, and reducing the weekend runs.

Mr. Vobora referred to the service change summary in the agenda packet and discussed the weekend and weekday schedule.

Mayor Leiken asked if LTD had a seat on the MPC Board. No. He was surprised they didn't since they relied on payroll taxes. One of the questions sitting consultants asked was about the transit services available.

Mr. Pangborn said he was not sure of the history of why they were not part of MPC, but would be interested in exploring that.

Councilor Wylie said the weekend service was payback for businesses whose employees used the service during the week for work, and could use the service on the weekend to go shopping.

Councilor Pishioneri said service industry workers worked odd hours and weekends, and those people probably needed the transportation more. Weekends were critical for the general population.

Mr. Vobora said he had the opportunity to help the kids from Hamlin Middle School to plant trees along the Pioneer Parkway EmX line. He said they were a great group of students and very sharp

2. Mid-Year Review of Downtown Criminal Activity and Demand for Police Services.

Community Services Manager Dave Puent and Police Chief Jerry Smith presented the staff report on this item. Illegal activity and the persistent demand for police services continued in a defined downtown geographical area.

Mr. Puent said on July 20, 2009 Council conducted a public hearing on the liquor license renewal for five downtown establishments. As part of the endorsement review for the five establishments, Council was provided with information that identified a high level of request for police assistance and criminal activity that radiated outward from an area of 4th and Main Street to approximately 500 feet. At the conclusion of the public hearing, Council was requested to provide a recommendation to OLCC relative to the pending endorsement of their liquor license applications. Council provided the following recommendations to OLCC:

Club 420	Deny
Stables Bar & Grill	No Recommendation
Jim's Landing	No Recommendation
The Brick House	Grant
Bright Oak Meats	Grant

Testimony received that evening mostly centered on three of the establishments; Club 420, Stables Bar & Grill and Jim's Landing. OLCC has completed its investigation of the three downtown bars, which

received a "No Recommendation" and/or "Deny" from the City Council. The OLCC decision was pending. Because of the high concentration of illegal activity and the increasing need for police assistance in this defined geographical area, staff was directed to provide a mid-year report to Council relative to the reduction or persistent continuance of illegal activity within this area.

Chief Smith noted the attachments included in the agenda packet and discussed the level of criminal activity in the affected area. Police calls for service dropped about thirteen percent last year, and there was a correlation between those numbers and crimes. With those drops in service, they still saw an upward trend in the downtown area.

Councilor Pishioneri referred to Chart C, and asked about the difference between calls for fights and calls for assaults.

Chief Smith explained the difference.

Councilor Pishioneri said those calls disrupted the surrounding area. He referred to Chart D regarding Total Felonies and Total Warrants. He asked if they were parole violations (PV's) or arrests.

Chief Smith said based on the general application, both would be in the total.

Councilor Pishioneri referred to Chart E, and asked about the number of calls from owners.

Chief Smith said the calls originated from the business or from a citizen or from an officer in the area. The report didn't distinguish who made the call.

Councilor Pishioneri said that would be a question he would ask if challenging these numbers. He referred to Chart H and also asked if they could separate out if the call was from the public or a police officer. It would be more illustrative of the issue.

Councilor Wylie asked about timeline with OLCC regarding these licenses.

Mr. Puent said OLCC had finished their investigation and sent the information to the corporate office. The final results should be ready by the end of the month.

Councilor Wylie asked when the business would have to quit serving liquor if the OLCC denied their application.

Mr. Puent said a recommendation for denial would go out immediately. The establishment could appeal and serve while they appealed. If an establishment received a denial and appealed, the conclusion of the appeal would be complete by mid summer.

Councilor Wylie said she wanted to see the crime statistics if one of the establishments was denied.

Councilor Lundberg asked if any establishments had been on a work plan program. That seemed to be the way OLCC was going rather than denying.

Chief Smith said Club 420 was on self initiated voluntary work plan. Since it was voluntary, after a certain amount of time, they were not required to continue.

Mayor Leiken asked what was on the 800 block.

Chief Smith said it was Lithia Toyota.

Councilor Pishioneri thanked the Chief for the statistics. He appreciated the work done by staff.

3. Cherokee Drive Local Improvement District Funding & Financing Options.

City Engineer Ken Vogeney and Housing Manager Kevin Ko presented the staff report on this item. Council directed staff to explore options to reduce homeowner costs on the Cherokee Drive LID project. Options presented for Council discussion included: alternatives for Community Development Block Grant (CDBG) funding; implementing a City-funded subsidy program; a possible freeze of Local Wastewater Systems Development Charges (SDC's); and/or a reduced interest rate for assessment financing.

Staff researched four options to reduce the overall costs to property owners in the Cherokee Drive LID project. These options were summarized below and discussed in further detail in Attachment 1 of the agenda packet.

CDBG Assistance: Staff conducted a mail-in income survey of the 44 property owners within the proposed LID. Twenty-seven property owners responded to the survey. Of all respondents, 16 appeared eligible for CDBG funding which was less than the 51% needed to provide CDBG funding for the overall project. Individual property owners could apply for assistance through the Springfield Home Improvement Program.

City-Funded Subsidy: In the early 1990's, Council adopted a policy to subsidize street improvement costs for single family and duplex residences. While this program was specific to street improvement LID's, the Council may wish to consider providing a subsidy for the property owners in this LID. The street improvement subsidy mimicked the guidelines for area-wide CDBG funding subsidies and based the amount of the subsidy on the property owner's income. Implementing such a program for this LID would significantly increase the City's share of the cost and would be paid using wastewater user rate revenue.

SDC Rate Freeze: Council may also wish to defray property owner costs by freezing the local System Development Charges at their current rates. This could occur for a time certain (i.e. a specific number of years), or Council could choose to keep the SDC frozen until such time as the property owner connected to the system, which could be several years after construction of the public system.

Assessment Financing Rate: A fourth option to reduce costs incurred by the property owners in the LID was to alter the interest rate for construction assessments charged by the City. Typically, construction assessments were tied to the 10-year Treasury note. The 10-year note had been declining recently, though the long term average had been hovering near 3.5%. The current rate was approximately 3.8%. Council could assess a rate based on the long term average, not the current rate, to reduce the assessment costs property owners paid over a 10-year loan period.

Staff's recommendation for a preferred package to both help offset property owner costs and protect the City's interest was as follows: 1) make CDBG funding available to all qualifying homeowners on an individual basis, and 2) apply an interest rate for the construction financing of 3.5%, consistent with the 10-year Treasury note.

Mr. Vogeney said a neighborhood meeting was scheduled on February 18 to discuss design. He said other staff were available for questions. He explained in more detail each of the four options.

Councilor Ralston said he thought staff had done a good job. He thought it would be good for staff to find six more people in the neighborhood that qualified for CDBG funding so they could get assistance for the whole project. If they still did not qualify as a group, he agreed with letting them apply individually. He referred to the SDC rate freeze and said that was not what he had in mind. He was thinking of a reduction in the hook-up fee.

Mr. Vogeney said the City didn't charge a hook-up fee, but rather charged for plumbing permits and SDC's.

Councilor Ralston said he liked the interest rate of 3.5%, but was not interested in a City-funded subsidy. He would like to look first to see if the full neighborhood qualified.

Mr. Vogeney said if the neighborhood qualified for CDBG funding, it would federalize the project which would mean the City would have to pay the higher prevailing wages for the project. Also, all property owners would have to connect to the sewer up front, rather than wait until their system failed or they chose to connect.

Councilor Ralston said as long as they knew it would be upfront, that would be fair.

Councilor Pishioneri said he agreed with staff's recommendation. He didn't want higher user rates on existing rate payers. If there was a SDC rate freeze, it needed to have a time limit. It made sense to use the lower interest rate. He agreed with CDBG funding to those that qualified, but was not sure if he agreed with checking with the rest of the neighborhood for eligibility. Individual CDBG funding was a good idea and so was financing at 3.5%.

Mayor Leiken asked about the SDC freeze and if this was something besides the deferral of fees that Council had enacted.

Mr. Vogeney said this was a different discussion. Council wanted staff to look at the best package for citizens regarding the sewer hook-up. That was independent from the earlier direction.

Councilor Pishioneri asked if there was other funding available through the State or the Department of Environmental Quality (DEQ).

Mr. Vogeney said there could be some property owners eligible for elderly assistance. Through DEQ there wasn't a program available to help get people off the septic to sewer. Staff could look into a State revolving loan if the City needed to borrow funds for the project. That was a highly competitive process and the City probably wouldn't qualify.

Councilor Simmons said he agreed with the low rate of interest. He discussed income eligibility and an incident that occurred in his neighborhood when a participant retired by the time the project was done. He didn't favor freezing SDC rates. There were some opportunities in the staff report that could be done, and he would like to see it done in the most favorable way for the neighbors without punishing current rate payers. In certain situations, the Council had the right to waive fees if they chose.

Mr. Vogeney said their intent was for an SDC freeze for this area only, not citywide, similar to the program for the downtown district with fifty percent SDCs.

Mr. Ko clarified the questions regarding CDBG assistance. They would actually need seven additional households to qualify for the whole neighborhood to qualify. Staff's experience had been that when people did not reply to this type of survey, it meant they knew they would not qualify. He referred to Councilor Simmons concern regarding eligibility for CDBG funds based on the previous year's income. They were also required to look at the potential for the next twelve months to address seasonal employment, raises, retirement, etc. It was hard to know the trend.

Councilor Lundberg said she was fine with staff recommendations. She liked the flexibility of allowing individuals to come to the City for CDBG funds when they were ready to hook to the sewer. Others could be fine with the good interest rate over a long period of time. Those two options seemed to fit most of the people. She hoped the design of the sewer lines were better designed than those at her home, which was built in the 1980's.

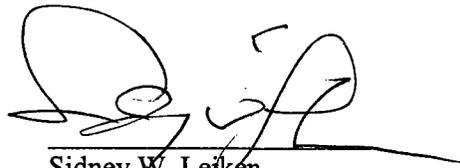
Mr. Vogeney said as part of workshop on Feb 18th, they would ask homeowners where their lines ran.

Council agreed with staff's recommendation of Options 1 and 4.

ADJOURNMENT

The meeting was adjourned 6:48 p.m.

Minutes Recorder – Amy Sowa



Sidney W. Leiken
Mayor

Attest:

Amy Sowa
City Recorder