

City of Springfield
Work Session Meeting

MINUTES OF THE WORK SESSION MEETING OF
THE SPRINGFIELD CITY COUNCIL HELD
TUESDAY, NOVEMBER 13, 2007

The City of Springfield Council met in a work session in the Jesse Maine Meeting Room, 225 Fifth Street, Springfield, Oregon, on Tuesday, November 13, 2007 at 5:32 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 Matt Cox, and members of the staff.

1. Community Development Advisory Committee (CDAC) Application Review.

Housing Manager Kevin Ko presented the staff report on this item. Three positions on the CDAC are scheduled to expire on December 31, 2007, due to term expirations of Dan Egan, Bonnie Peterson and Roxie Cuellar. The three incumbents have each served two terms and are not eligible for reappointment. A fourth position is available as a result of the resignation of Diana Garcia. The terms for the four available positions will begin upon appointment by the Springfield City Council. The positions vacated by Egan, Peterson and Cuellar will expire on December 31, 2011. The position vacated by Garcia is for a partial term and will expire on December 31, 2009.

Council is being requested to review the applications received for the vacant CDAC positions. Staff will be available to provide information and assistance. The recommended applicants will be formally appointed to the CDAC at a regular session of the Council on November 19, 2007.

The CDAC consists of six at-large positions from the community, one representative from the City Council and one representative from the Planning Commission. The CDAC advises the City Council on all matters related to the City's housing and community development activities which are funded annually by Community Development Block Grant (CDBG) funds and HOME Investment Partnership Program (HOME) funds received from HUD. Applications are encouraged from lower income earners, residents of lower income neighborhoods, racial and ethnic minorities, senior citizens, disabled individuals and female heads of households. All applicants must live within the city limits or urban growth boundary of Springfield.

The positions are available as a result of the upcoming term expirations of Dan Egan, Bonnie Peterson and Roxie Cuellar, and the resignation of Diana Garcia. The notice of available positions was posted on October 23, 2007 and applications were being accepted through November 1, 2007. Five applications were received before the deadline. The application for Robyn Sattler was received on November 2nd, and the application for Gerald Strebendt was received on November 5th. Council may choose to accept or reject the Sattler and the Strebendt applications. Staff is requesting that Council review the seven applications and make recommendations to fill the available positions on the CDAC. Three positions will have terms

that expire on December 31, 2011, and one position will have a term that expires on December 31, 2009. The recommendations will be presented at a regular meeting of the Council on November 19, 2007.

Mr. Grimaldi said Council could discuss the candidates and come to consensus on who to appoint, or if Council felt they needed more information on the applicants, they could request additional information or interview the candidates at a later meeting. This committee made some significant recommendations to Council regarding allocations of funds, so he encouraged them to be comfortable with the candidates.

Mayor Leiken said it was great to have so many people apply.

Councilor Ralston said he knew three of the applicants well and supported them. He felt that Caroline Toy would make an excellent candidate. He liked the fact that Gerald Strebendt was a business owner downtown. He also liked the answers from Robyn Sattler. He would defer to the rest of the Council regarding the fourth position.

Councilor Ballew said she would agree to take the late applicants. She said she would like to see representation from around the City and diversity. She liked having a downtown business owner. Other than that, she had no preference on the others.

Councilor Woodrow confirmed that there were four positions. He said he had no problem accepting the two late applications. He confirmed that Judy Harold was the former Library Manager, and felt she would be a good choice. He discussed some of the other applicants and asked if staff would be bringing the applicants in for Council to interview.

Mr. Grimaldi said that would be up to the Council.

Mayor Leiken concurred with the three recommendations of Councilor Ralston. He said he had met Mr. Strebendt and noted his investment in the downtown corridor. Ms. Sattler was involved in the Downtown Urban Renewal Political Action Committee (PAC) and Ms. Toy was also a good candidate. He noted that Judy Harold would be a good fit for the other position.

Council consensus was to appoint Gerald Strebendt, Robyn Sattler, Caroline Toy and Judy Harold to the CDAC during a regular Council meeting.

Mr. Ko noted that three of the positions were up for full terms and the other was to finish the term vacated by Diana Garcia, expiring December 31, 2009. The applicant that filled that vacancy would then be eligible for two more full terms of service.

Councilor Lundberg said the charge of the committee was to make recommendations about the allocation of quite a bit of money. She looked for people that had broader community sense regarding what the City wanted to accomplish and people that had the ability to take a look at applications in an unbiased manner, and apply the criteria to those applications. The decisions they had to make were difficult because there was often less money than requests. She agreed with the four choices noted above, and noted the importance of having people from a broad range from around the community.

Councilor Ralston said most of the people would probably be committed for the long term. He felt it would be a benefit to put Mr. Strebendt into the remainder of Ms. Garcia's position.

Councilor Pishioneri said that if Council was pleased with Mr. Strebendt's work on the committee, he could be appointed for two more full terms.

Council consensus was to place Mr. Strebendt into the remainder of Ms. Garcia's position.

Mayor Leiken said Tess Chedsey was a very qualified applicant and he asked staff to keep her application on file for future committees.

Mr. Ko said he would bring the recommendations for approval to the November 19 Council meeting. He asked if Council needed any additional information.

Councilor Ballew asked if Mr. Ko would be calling those that weren't recommended.

Mr. Ko said he would be sending a letter.

Councilor Ballew asked that he include information about the other City boards, committees and commissions in those letters.

Mayor Leiken said it was a great group to choose from.

2. Unlawful Possession of Less Than One Ounce of Marijuana and Springfield Municipal Code Jurisdiction of Fine Proceeds.

Municipal Court Judge James Strickland and City Attorney Matt Cox presented the staff report on this item. At a recent meeting with the Springfield City Council, Springfield Municipal Court Chief Judge James R. Strickland brought to the Council's attention the fact that fine proceeds collected on UPCS (unlawful possession of controlled substance) less than one ounce of marijuana violations prosecuted at the municipal court were sent to the Oregon Department of Revenue. This is because currently UPCS less than one ounce is cited into Springfield Municipal Court under the ORS which directs that fine proceeds go to the State.

Judge Strickland proposes that the Springfield Municipal Court add specific language to the SMC thereby allowing prosecution of UPCS less than one ounce of marijuana violations through SMC language and allowing the municipal court to retain jurisdiction over fine proceeds collected.

The City Attorney's office has worked with the municipal court to draft the attached ordinance.

The Springfield Municipal Court already has a UPCS less than one ounce of marijuana violation diversion program in place. There should be no cost to the City to add this violation into the SMC Chapter 5 – Public Protection. The City will receive financial benefit in the fines collected for UPCS less than one ounce of marijuana staying within the City's jurisdiction and not being forwarded to the Oregon Department of Revenue pursuant to ORS 475.864.

The Police Department will have to instruct its officers to cite UPCS less than one ounce of marijuana violators under the Springfield Municipal Code as opposed to the ORS in the future if this ordinance passes and comes into control regarding UPCS less than one ounce of marijuana citations.

Mr. Cox reviewed the changes in the Municipal Code that would be discussed and noted that the City would continue to have the diversion program for first time offenders.

Councilor Ballew asked how much money this might generate.

Judge Strickland said he did not know. He said the court writes about one hundred citations a year at about \$500 each. He said the City's police officers were doing the work, but the revenues were going to the State. He felt it was only fair for the City to receive those revenues.

Councilor Ballew said she was totally supportive of this change.

Judge Strickland said he preferred the City code language for this and being able to use the diversion program. He explained the diversion program and its benefits.

Councilor Pishioneri asked if there was a subsection on the diversion program that would provide a time limit so it would no longer be a factor if someone had been clean for a number of years.

Judge Strickland said he had enough discretion to take all things into consideration.

Mr. Cox asked if this was referring to the ten year diversion related to driving under the influence (DUI).

Councilor Pishioneri said yes. He thought it would be good to have this consistent with the provisions for DUI.

Further discussion was held regarding the diversion program.

Councilor Pishioneri asked if this ordinance was current with the new changes in the ORS regarding medical marijuana.

Judge Strickland discussed that exclusion and the ORS statutes.

Mr. Cox said he would look through the ordinance to be sure the concerns Council discussed were all addressed properly. He said he would make any noted changes and bring it back to the Council for a first reading.

3. Systems Development Charges Update.

Assistant Public Works Director Len Goodwin presented the staff report on this item. The City is completing work on both a sanitary sewer Facilities Master Plan and a storm drainage Facilities Master Plan. As these are brought before the Council for action, staff will be beginning the process of reviewing the need to update existing Systems Development Charge methodologies

for subsequent consideration by Council. Separately, staff has recommended that the City retain Galardi Consulting, who provided services in connection with the last update, to lead the effort in the upcoming review. Because the local methodologies has not been before Council since 2000, staff has retained Galardi Consulting to present a brief review of the underlying considerations behind Systems Development Charges for the benefit of those members of the Council who are not fully familiar with the process.,

Systems Development Charges (also known as impact fees in other parts of the country) are governed, in Oregon, by a complex statutory scheme which calls for a number of elements to be in place. Some of these elements are highly technical, while others bear significant relationships to the separate process of land use planning which has its own complex statutory scheme.

Because of this level of complexity, most cities seek external support for the effort to review and update methodologies and fees. City staff will be separately recommending that the City retain Galardi Consulting, who managed the last review of City Systems Development Charges, to lead the effort which will occur this winter and culminate, we believe, in recommendations on methodologies and rates sometime in the Spring.

To provide Council with a brief refresher, and some basic training for those who have not heretofore participated in a review of the City's SDC methodology, staff have invited Deborah Galardi, a principal in the firm, to make a brief presentation review the current state of the statutory scheme, including changes in the 2003 Session of the Legislative Assembly, to prepare the Council to participate in reviewing the results of the staff effort.

Mr. Goodwin noted that Ms. Galardi was a nationally respected expert in the field of SDC's. Mr. Goodwin said he would be presenting a contract with Galardi consulting during next week's Council meeting. He introduced Ms. Galardi.

Ms. Galardi said she would just be discussing concepts rather than figures during her presentation. A handout was distributed to the Mayor and Council. Ms. Galardi reviewed the background of SDC's as described in the handout. She also discussed the history of SDC's in Springfield.

Ms. Galardi gave an overview of the methodology of SDC's, including methodological issues, fee structure options, cost basis requirements, capacity definition, fee schedule development, cost adjustments and credits. She also discussed SDC administration including updating, implementation, and administrative requirements.

Councilor Ballew asked if it would be reimbursement or improvement if improvements were made that increased capacity of existing facilities.

Ms. Galardi said it would be an improvement because it would be something that would be done in the future and it increased capacity.

Councilor Wylie asked about auditing.

Mr. Goodwin said those figures were all part of our comprehensive financial report. The general public was entitled to see those reports. The State did not have its own auditing of this.

Ms. Galardi previewed the SDC update process which included review of existing methodologies and calculations. She explained the project work plan and asked Council if they had any questions.

Councilor Ballew said the work plan didn't look like it included a citizen advisory committee.

Mr. Goodwin said they hadn't yet made that determination. It was possible that a citizen advisory committee (CAC) may be recommended by staff, particularly for the stormwater charges. There would be opportunity for public comment throughout the process.

Councilor Ballew said it seemed that there was going to be more permitting in regard to stormwater in the future. She asked if staff anticipated revising our stormwater fees in relationship to that.

Ms. Galardi said it would depend on what types of improvements were recommended. It could be an issue.

Mr. Goodwin further addressed that question.

Mayor Leiken said there had been some citizens that discussed a possible SDC credit bank that certain businesses could donate unused SDC's into for non-profits to use. Council was very interested in that prospect. As staff went through this process, he hoped staff would look at incorporating a credit bank.

Mr. Goodwin said staff was investigating that.

Mayor Leiken said it was important because non-profits were losing more and more dollars from the federal and state government. He discussed the lawsuit with the Homebuilders Association last time Council went through the SDC methodology. Although the City prevailed, he reminded staff of the importance of maintaining communication with the public on any possible changes. It was getting more expensive to get involved in development. He agreed that there could be issues that came up. If tighter regulations came from the State and Federal Government, some changes may need to be made. He was curious how this related to the Supreme Court Ruling on a developer in Michigan regarding Clean Water Act issues. He discussed that ruling further. As we move forward, he would like staff to continue to reach out to the community.

Mr. Goodwin agreed. He noted that even if there was no change in the methodology, there would be public involvement in this process. Fees would be increased, but staff would be talking with and keeping the public informed of those increases before coming to Council.

Councilor Lundberg said she was an advocate of a CAC, and she would like to include public agencies on that committee because they were impacted by the City's SDC's. Concerns and questions could be addressed through the CAC process prior to any public hearings, making the process more effective.

Mr. Goodwin said staff would ask Council for a Council liaison on the CAC once it was formed.

4. Review of Street Fund Financial Plan.

Assistant Public Works Director Len Goodwin presented the staff report on this item. Now that the City is well into the first fiscal year operating without revenue from the County/City Partnership, it is timely to review the Street Fund Long Term Financial Plan. The Plan is showing signs of increasing fiscal stress, which may prompt the Council to consider actions to bring revenues and expenditures better into balance.

After recovering from severe financial challenges in 2000 through 2003 through the implementation of a local fuel tax, the Street Operations Fund again faces serious fiscal challenges because of the loss of revenue from the County (a byproduct of the difficulties surrounding the reauthorization of the Secure Rural Schools Act) and continuing stagnation of fuel taxes as a revenue source. While these trends have been mitigated by the robust performance of the City's local fuel tax, enacted in 2003, the City appears to be entering a potentially extended period when total revenue will remain essentially flat. A number of factors continued to drive spending trends at rates that match or exceed the underlying rate of inflation, suggesting the risk of serious consequences in FY 2009 if prompt action is not taken. Staff will discuss a variety of expenditure and revenue options to address the imbalance that is being created, and respond to questions from Council.

Mr. Goodwin discussed an upcoming transportation package coming to the 2009 legislative assembly, but the fate of that was still uncertain. In the meantime, the need for the City had become more immediate. The City's gas tax had been doing better than the State's gas tax for some reason. He explained his theory on why that was the case. The economic forecast suggested that unless something was done, there would be a large deficit in the street fund.

Mr. Goodwin noted that during the last days of the current legislative session, the legislature converted some money from ODOT's reserves into the County's reserves, hoping that would support the loss of Secure Rural Schools funds. He explained how that basically didn't help Springfield at all.

Mr. Goodwin said we needed to look at what to do now for this shortfall. The two options, as always, were expenditures and revenues. He discussed a short-term fix of expenditures. At this time there was a significant reserve in the Capital Fund and the City could go one year without transferring money from the Operating Fund to the Capital Fund and still have funds for preservation. The rest of the expenditure side was very difficult to do something with. The reality was, the City had been spending a lot of money that was normally considered flexible, on contractual services to provide additional support for a lot of work. Cutting that cost would mean the work wouldn't get done, and was not a long-term fix.

Mr. Goodwin discussed using revenues to address the issue, including trying again to implement a Transportation System Maintenance Fee (TSMF) or increasing the fuel tax. There weren't many options. The fuel tax made the most sense, but was challenged. He discussed the results of a survey regarding locational affects on a fuel tax in some cities and not in some. Eugene, the city with the highest gas tax, had the lowest gas prices, and Veneta, the city with the lowest gas tax, had the highest gas prices. There were very few gas stations in the County.

Councilor Ballew noted the current cost of gas at a local gas station.

Mayor Leiken discussed the significant reduction in the amount of funds the City received from the County for road funds.

Councilor Ralston said we were between a rock and a hard place. Taxes were not a popular subject and if we went with an increase in the gas tax, we would get the same opposition as the other cities that tried to implement it. He didn't agree with the TSMF originally, but realized that everyone used the roads and needed to pay. The citizens in Springfield trusted Council's judgment and something had to be done. He would like to see a combination of a slight gas tax increase and something that distributed the cost to all citizens somehow. This would be a difficult decision for Council.

Councilor Wylie said because of the State formula, the State would have to raise the gas tax twelve cents a gallon for the City to get the same amount as if the City raised it one cent a gallon. She asked about a status on a County gas tax.

Mayor Leiken said the Lane County Mayors met several weeks ago and discussed this issue with Lane County Board of Commissioner Faye Stewart. The County was not ready to put into place a County-wide gas tax at this time. There was probably going to be discussion, but no further action. The County was also waiting to hear from the Federal Government on the Secure Rural Schools funding.

Councilor Wylie asked if it would need to go before the voters if Springfield wanted to raise the gas tax one cent.

No, but citizens could refer it and then it would go to a vote.

Councilor Ralston said the cost of gas was going up. He asked if the percent the City was getting was increasing at the same rate. No.

Mr. Goodwin said Congress had discussed indexation, which would tie the tax to the cost of gas, but it had failed.

Councilor Ralston said the City could use the argument that the State would need to raise the gas tax twelve percent to equal the gain to cities if we raised ours one percent.

Mayor Leiken said he, Mr. Goodwin and Mr. Laudati had met with the chair of the Transportation Committee and Representative Terry Beyer. He didn't foresee the State legislature helping out the cities on this issue. Council had some time to make some decisions and he felt this was an opportune time to put together a blue ribbon committee, including fuel station owners. It was important for them to have a seat on this committee. He was open to hear other solutions. The focus needed to be on the need, not the dollar amount. He discussed the value of our City streets and the investment needed to maintain those streets. The group could look at all options. It was important to get people at the table to come up with a solution. The timing for staff to bring this to Council was good because it gave them time to work on a solution.

Councilor Lundberg said she did support an increase in the gas tax. Council supported providing the core services to its citizens, and maintenance of the streets was a core service. Roads in need of repair caused wear and tear on vehicles. Springfield had good streets and had acknowledged the use of gas tax funds for maintenance on several large street projects. She didn't feel that a two cent increase was out of line because our gas prices would still remain in the middle. She was opposed to a Utility Tax. A gas tax spread out the cost because it affected everyone. She had more confidence that something like this would not get referred in Springfield. She would like to gauge the reaction before moving forward. This would not be the final solution, and it would take a broader solution.

Mayor Leiken said it was important to have a group at the table to discuss this and to include the fuel station owners. He didn't want the City in the position of getting this referred.

Councilor Woodrow said raising the gas tax two cents a gallon would probably only address the issue for a couple of years.

Mr. Goodwin said it would address the issue for two to three years. It wouldn't address the issue of improving unimproved streets, which was discussed at a Council work session in October.

Councilor Woodrow said he supported the Mayor's idea of forming a blue ribbon panel to look at some solutions. He also agreed with Councilor Lundberg that it wasn't a large amount of an increase. He noted that the gas stations in Springfield were charging about the same as those in Eugene, where they have a higher gas tax. He would also like to see members from each of the City wards on the committee. He explained why.

Councilor Ralston asked if there was an SDC component to roads.

Mr. Goodwin said there was. The transportation SDC was the principal, local source the City had for improving facilities. New construction generally came from SDC's, local improvement districts, or the State.

Councilor Ralston said that might be something else Council needed to look at.

Mr. Goodwin said they couldn't capture anything in the improvement SDC for maintenance of the roads.

Councilor Pishioneri said he agreed that two cents a gallon was a reasonable amount. He agreed with the Mayor's recommendation to have a blue ribbon panel look at this. He also would like to add big users, such as truckers, to this group. It was very important to get the input from the group before making a decision.

Mayor Leiken said staff had come up with a great plan for big trucking companies that would receive a discount when the first gas tax was put into place.

Councilor Ralston said he wanted to make sure the discount for truckers remained in place.

Mr. Goodwin explained the rebate they received.

Councilor Lundberg said she didn't want to discount an idea because it didn't go well in other areas. She said the blue ribbon panel would probably only need to meet one time. Many of the issues were not just local.

Mr. Goodwin said they would construct a timeline so they would be ready for next year's budget process.

Councilor Ballew said regardless of the decision, we should spend the time to put out long range public information to educate citizens about the problem. She felt there would be some lowering of materials costs in the future as housing declined and large projects wrapped up. The discussion should also include lowering the standard if there was not going to be a revenue source. It would all be part of the education process and finding out what the citizens wanted.

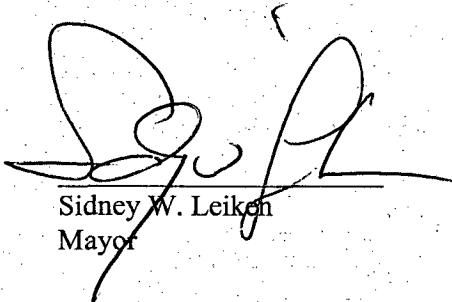
Mayor Leiken said this was an enormous investment. Public Works did such a great job that most citizens didn't realize there was a problem.

Public Works Director Dan Brown mentioned the work session when Council discussed improving unimproved streets and how to make the prospect of fixing those streets more attractive to those residing on those streets. Staff received a number of questions from people that lived on some of those unimproved streets. Maintenance Manager Brian Conlon would be coming to Council in the near future to include this as part of the process. He noted the large amount of work needed to provide maintenance to those unimproved streets, and the request from residents to provide a little better maintenance.

ADJOURNMENT

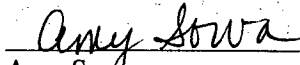
The meeting was adjourned at 7:05 pm.

Minutes Recorder – Amy Sowa



Sidney W. Leiken
Mayor

Attest:



Amy Sowa
City Recorder