

MINUTES

Eugene City Council
McNutt Room—City Hall
777 Pearl Street—Eugene, Oregon

October 26, 2011
Noon

COUNCILORS PRESENT: George Brown, Andrea Ortiz, George Poling, Mike Clark, Chris Pryor, Alan Zelenka, Pat Farr.

COUNCILORS ABSENT: Betty Taylor.

Her Honor Mayor Kitty Piercy called the October 26, 2011, work session of the Eugene City Council to order.

A. WORK SESSION:

Authorize Additional Street Preservation Projects to Use Anticipated Bond Proceeds Remaining Upon Completion of 32 Streets Identified in Bond Measure

The council was joined by Public Works Director Kurt Corey and City Engineer Mark Schoening. Jim Wilcox and Janet Talbert of the City's Street Repair Review Panel were also present for the item. Mr. Schoening shared the review panel's recommendations for additional street projects to be funded by the money remaining from the City's 2008 Bond Measure to Fix Streets. He called attention to the list of recommended projects included as Attachment B to the Agenda Item Summary. He noted there might not be sufficient funding for the last two projects on the list (Group 2), and indicated the City would supplant any bond funding with funding from local gas tax revenues. Construction would be scheduled by 2013.

Mayor Piercy solicited council comments and questions.

Ms. Ortiz determined from Mr. Schoening that Blair Boulevard was one of the original 32 street projects funded by the bond and staff anticipated the street would be reconstructed during summer 2012. Staff was seeking grants for some of the project's pedestrian elements, which could push the project into 2013.

Mr. Poling thanked the review panel for prioritizing the projects. He supported the projects proposed. He also recognized the council's foresightedness in putting such a bond measure before the voters and acknowledged he had initially been skeptical about the phased approach. While he believed the economy might make passage of a second measure more challenging, he thought the success the City had enjoyed with the 2008 measure could help with passage of a future measure.

Mayor Piercy commended the council's decision to ensure that projects were spread throughout the community. She believed the process was further depoliticized by the fact the review panel had recommended the projects being proposed for funding.

Mr. Zelenka agreed with Mr. Poling that the council deserved credit for the bond measure, but he reminded the council the City continued to have a repair backlog and the 2008 measure addressed just a part of that backlog. He asked when the council would discuss the backlog and the funding mechanisms available to address it. Mr. Corey said the backlog for improved streets totaled about \$39 million. In

regard to funding mechanisms, he reminded the council that the City lacked a billing system for a device such as a transportation utility fee (TUF) and suggested that obstacle could be overcome by cooperation between the Eugene Water & Electric Board and the City. He did not think the concept had been discarded and could be part of a longer term discussion of street repair funding. Mr. Zelenka suggested a TUF was the funding mechanism with the best nexus to road use.

Mr. Clark also thanked staff and the panel. He supported the project list. He asked if County Farm Road between Coburg Road and the city limits was within the City's jurisdiction. Mr. Schoening did not know and said he would follow-up. Mr. Clark advocated for the City to develop a strategic plan for unimproved streets such as the section of County Farm Road he mentioned. He noted that the existing and proposed development in the area and said he was concerned about safety caused by the additional development and hoped staff had a strategic plan for addressing those concerns. Mr. Schoening anticipated the road would be within the City's jurisdiction at some point if it was not now. He said the road was included in the Capital Improvement Plan but was not funded. He explained that the City did pavement overlays on local streets on a one-time basis with the expectation that they would be improved to City standards through a local improvement district.

Mr. Brown, seconded by Mr. Poling, moved to authorize the additional streets shown on Attachment B to the list of streets to be repaired with bond measure proceeds. The motion passed unanimously, 7:0.

The council viewed a brief public service announcement featuring Ms. Calvert that highlighted the road projects funded through the 2008 measure and thanked Eugene voters for supporting the bond.

Mr. Corey sought council direction on a future bond measure. He recommended that staff work with the Street Repair Review Panel to assist it in preparing a measure to be offered to voters. The panel would consider the amount of the bond measure, the projects to be funded, and the timing and term of the bond measure. He said the council could consider placing a bond measure on the November 2012 general election ballot. That would provide continuity of funding. Mr. Corey anticipated he would return to the council early in 2012 with the review panel's recommendations.

Mr. Poling supported Mr. Corey's recommendation. He encouraged staff to be consistent with its past approach and the guidelines that governed the use of the funds from the last measure. He was not sure how large the bond should be but believed it would be difficult to go much beyond the last measure. Mr. Poling thought it would be more acceptable to taxpayers if the amount they were currently paying remained the same.

Mr. Pryor agreed with Mr. Poling about being consistent with the past approach. He said public faith was essential to the success of any future bond measure. He thought the success of the first measure would reinforce support for another measure. He did not want the amount to be more than staff could work with during the life of the bond. Mr. Pryor said there was much work left to do but he was proud of what had been accomplished after years of discussion without action. He did not want to stop working on the problem. He believed that if the voters believed their money was being spent wisely, they would support the bond.

Mr. Zelenka agreed with the remarks of Mr. Poling and Mr. Pryor. He supported taking a similar approach to the 2008 bond measure. He agreed that the public would be more receptive to renewing the bond if the amount they paid was unchanged. He believed the City had done a good job of implementing the 2008 measure and had earned the voters' trust. Mr. Zelenka pointed out the City had been able to

accomplish more with the bond measure than it had promised and he was prepared to declare the bond a success and do it again.

Mr. Brown agreed that the City had done precisely what it said it would do with the money and people recognized that. He believed the council should move forward with the goal of putting another measure before the voters. He agreed that it would be preferable if residents did not have to pay more than they currently did. He supported Mr. Corey's recommendation.

Mayor Piercy said residents disliked seeing the community's infrastructure deteriorate and there was widespread support for the investment that had occurred. She appreciated the video and said it was important to keep communicating the City's message. She hoped the review panel could be an advocate for a future measure. Mayor Piercy agreed it was preferable if the next bond cost taxpayers no more than the current bond. She said the council should convey its awareness of economic conditions while also conveying the necessity of keeping the roads in good condition.

Mr. Poling did not want to constrain the panel with a specific dollar amount and invited the review panel to give the council its best thoughts and "think outside the box," even the recommended amount exceeded the past bond amount.

Mr. Farr, who had not been on the council at the time the bond was proposed, thanked the council for putting the bond measure forward. He said that street repairs might seem mundane to some but it was one of the council's major responsibilities. He believed the City realized more from the bond measure than anyone expected.

Ms. Ortiz said that good streets were an element of social equity. She said the street overlays done in Trainsong had improved the quality of life for residents living on those roads. Ms. Ortiz believed the bond measure demonstrated the council attempted to improve the quality of life for all residents. She agreed with other councilors about the amount of the bond.

Mayor Piercy said Marist High School students were annually assigned to write her a letter asking her to respond to local issues, and the majority concerned road conditions. She explained to them how street repairs were identified and funded and each time she shared that information people had an "ah ha" moment. She reiterated the importance of communicating that message.

B. WORK SESSION:

Eugene-Springfield Fire Services Merger Update

Fire Chief Randy Groves joined the council and provided an update on the merger of the Eugene-Springfield fire departments. He described the functional consolidation that occurred between the departments and noted that the department began the second year of functional consolidation with a projected savings of \$876,239. He discussed the steps taken since July 1 to make progress on the merger and highlighted the discussions now occurring with the two cities' fire unions. Chief Groves briefly noted some of the remaining challenges and reviewed the next steps in the process, which included:

- Step 1: Evaluate the feasibility of a merged IAFF contract.*
- If feasible, continue to Step 2.*
- If not feasible, stop and develop strategy to separate.*

- Step 2: Evaluate likely comparables for IAFF merged contract.
If feasible, continue to Step 3.
If not feasible, stop and develop strategy to separate.*
- Step 3: Obtain a merged contract for represented general service employees currently represented by AFSCME (Eugene) and SEIU (Springfield).
Complete Step 3 and continue to Step 4. State statute provides for a process to resolve this step if the policy decision is made to move forward.*
- Step 4: Cities evaluate governance models and select preferred model.
If cities agree, merge fire service organization under new governance model.
If cities cannot agree, stop and develop strategy to separate.*

Chief Groves anticipated he would make a recommendation to the two councils about steps 1 and 2 by January 2012, and about steps 3 and 4 sometime in the fourth quarter of fiscal year 2012.

Mayor Piercy solicited council comments and questions.

Ms. Ortiz requested input from City Manager Jon Ruiz. City Manager Ruiz believed the merger could be accomplished and he supported the chief's efforts. He was open to all options, including a special district. His concerns were that the merger work financially and operationally and result in great service to the community. He had no doubt about the quality of the service or the operational elements of the merger but continued to have concerns about the economics of the merger. City Manager Ruiz emphasized the importance of union support. He hoped to return to the council soon with a policy discussion of the next steps.

Responding to a question from Ms. Ortiz about purchasing, Chief Groves anticipated the department would have a centralized purchasing function at some future point. Since the merger the department had learned that Eugene had received a better break on EMS supplies than Springfield because of the economies of scale, and since the merger the department had found a supplier that saved both cities more money. He believed that the department would find additional efficiencies in the future.

Ms. Ortiz advocated for standardization of medical practices and purchases for providers throughout the entire county, not just the two cities. She said the smaller rural fire districts lacked the manpower and ability to do the type of research the two cities could do regarding current practices and hoped the department was able to assist those districts, which would save money for both them and the patients they served. Chief Groves agreed. He said that such practices both saved money and improved the department's field utility. He added that what Ms. Ortiz described was the department's goal for the future.

Ms. Ortiz was glad to hear of the cross-training that was occurring and supported the decision points identified in the Agenda Item Summary provided to the council.

Mayor Piercy observed that it would be good to hear the City union's input. Chief Groves reported that representatives of the union had planned to be present but the item conflicted with an emergency exercise. Mayor Piercy said that the reaction she heard from individuals had been very positive to this point, and she encouraged staff to continue to check in with the wider public in both communities to determine their understanding of the merger and identify their information needs.

Mayor Piercy liked the idea that fire stations would be destination places.

Mr. Pryor supported the merger, although he acknowledged the financial challenges the merger faced. He believed if such an approach was going to be successful anywhere in the organization it would be in Fire Services because the service was mission-driven. He offered his full support to the chief. He did not think the merger implied the department should do more with less, but rather that it provide a better level of services in a better way to better serve the community. He said the council needed to be thoughtful about how it provided the department with the resources it needed. He encouraged the chief to move forward.

Mr. Zelenka commended Chief Groves' work. He said the savings realized from the merger were slightly better than anticipated and determined from Chief Groves that the FY12 savings were on track to be realized. Mr. Zelenka asked if the process had gone as planned. Chief Groves acknowledged differing levels of employee acceptance for the merger initially, but when the two unions realized the scope of administrative support for the merger they became more serious about working with the department. Chief Groves believed fire fighters in the field had seen the impact of the merger through an increased margin for safety and improved scene performance, and for those employees that was where the "rubber met the road."

Mr. Zelenka suggested the chief obstacle to the merger would be the different wages scales and benefits paid by the two cities. Chief Groves agreed, but said the wage gap was narrow and would narrow more in the future. Fire and human resources staff of both cities were meeting now to resolve some of those issues related to benefits. Responding to a follow-up question from Mr. Zelenka, Chief Groves said that neither city subsidized the other city; he reiterated that the wage gap was a small one. The issues to be worked out were benefits such as deferred compensation, which Springfield fire fighters received but Eugene fire fighters did not. If that benefit was added to the value of wages it brought Springfield compensation levels closer to Eugene's levels. He hoped to equalize wages and benefits without increasing costs. City Manager Ruiz added that personnel costs, while important, did not comprise the entire financial picture; he and Springfield City Manager Gino Grimaldi had charged Chief Groves to consider the merger from a more holistic financial perspective.

Mr. Zelenka was open to a special district but his support depended on the form of governance. He opposed a special district that was not under the control of the two councils. Chief Groves indicated a special district was one of several options being discussed.

Mr. Poling also commended Chief Groves. He shared Mr. Zelenka's concern about governance, and suggested the two councils begin to meet jointly to discuss that issue. He suggested Chief Groves have a separation strategy in place when he was about halfway through Step 3. He had faith that the two councils could work out a governance model and was open to suggestions about that topic.

Responding to a question from Mayor Piercy, Chief Groves said he recently provided the same update to the Springfield council, who unanimously agreed to move forward while expressing some of the same concerns expressed by the Eugene council regarding governance.

Mayor Piercy voiced support for a joint meeting where Eugene and Springfield councilors could share general thoughts about the merger without either body having to commit to a decision.

Mr. Clark praised the leadership of the department and two unions. He expressed concern about the governance model because like other councilors he was concerned about a special district. He asked what the council could do to facilitate future conversations with Springfield about that topic. Chief Groves emphasized the importance of relationship building in tackling such challenging issues.

Mr. Farr commended Chief Groves' leadership. He thought the administrative details were in good hands. He would wait for additional information before commenting on a possible governance model. He anticipated the major challenge any change would face would be related to the two union contracts and the need to reconcile them. He suggested the fact Chief Groves could demonstrate administrative savings would help in those negotiations.

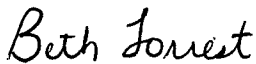
Ms. Ortiz believed the unions were cognizant of the economy and would negotiate accordingly.

Ms. Ortiz encouraged the council to do a ride-along with the medic units to get a sense of what the fire fighter-paramedics were dealing with. She believed the governance model was irrelevant to those employees. She suggested the council educate itself on all concepts and not preclude any options because the overall goal was good service. She did not think it matter to those being served who had jurisdiction when they faced an emergency. She suggested that "it was a different day" and Eugene had an opportunity to consider service delivery more globally and consider how the service interacted with the hospitals, nursing homes, schools, and the general community.

Mr. Clark recommended the council view a video on the department's Web site entitled *Ambulance Funding: Matching Resources to Needs*. Mayor Piercy suggested the council consider that homework.

Mayor Piercy adjourned the meeting at 1:23 p.m.

Respectfully submitted,



Beth Forrest
City Recorder

(Recorded by Kimberly Young)