

Answers to Council Questions from April 11 Work Session

What efforts are being made to include minority and women-owned businesses in the City Hall project?

McKenzie Commercial, the City Hall Construction Manager/General Contractor in charge of hiring all construction subcontractors for the project, is using the following efforts to enhance outreach:

- Make direct contact with minority and women-owned subcontractors to inform them of opportunities associated with the project.
- Break work into smaller Bid Packages to maximize the opportunity for smaller businesses to participate
- Advertise Bid Packages in targeted MWESB/DBE publications.
- Encourage and aid Disadvantaged Business Enterprises (“DBEs”) and Emerging Small Businesses (“ESBs”) participation to champion equal opportunity.
- Sub-contractor job fair for DBE and WBESB (to be held by CMGC once Invitation to Bids are released).

There have already been multiple contracts awarded to disadvantaged and women-owned businesses on the City Hall project:

- The primary demolition subcontractor, Staton Companies, is a Disadvantaged Business Enterprise. Their contract for their portion of the work was \$685,000.
- The subcontractor for the interior demolition and abatement phase of demolition at City Hall, Pacific Northwest Environmental, is an Oregon-based Service Disabled Veteran Owned Small Business. Their contract for their portion of the work was \$550,000.
- DCW Cost Management, the consultant hired to research and compare costs of other recently built city halls is a Women-owned Business Enterprise. The value of their contract was \$2,000.

Provide more information about the Risk Fund, including: where does the money comes from, how much is in the fund now, can this be used for other elements of City Hall and what are the tradeoffs if we use this money for City Hall.

Because the City is self-insured, the Risk Fund receives revenue through rates charged to all City funds. Department charges are set to cover the costs of the program, which are based on projections of claims, insurance premiums, and administrative costs.

The proposed funding option for seismic upgrades to City Hall would come from Balance Available in the Risk Fund’s operating budget. The current Available Balance in the Risk Fund is \$3.6 million, which exceeds the City’s two month operating reserve standard due to positive claims experience in the past two years. Although there can be a high level of volatility from

year to year, we recently received the preliminary actuarial report for FY16 workers' compensation and liability claims reserves and the actuary is predicting another year of positive claims experience. The actuarial projection is used to determine the appropriate level of funding and reserves for risk claims. The Balance Available in the Risk Fund's operating budget will still exceed the standard by \$1.6 million if \$1 million is allocated for seismic upgrades to City Hall.

The Risk Fund has a separate reserve dedicated for the payment of the City's self-insured workers' compensation and liability claims. The reserve level is determined by our actuary and is currently \$9.65 million. The proposed transfer from the Risk Fund's Balance Available would not impact these "claims payable" reserves, which are held outside of the operating budget.

There are two tradeoffs for using this one-time funding source for seismic upgrades to City Hall. First, department charges could potentially be lower in a future year if there were more dollars than needed in the Risk Fund, which would provide slightly lower costs to all City funds on a one-time basis. Second, in the event of a major catastrophic event, the Risk Fund would have to cover a portion of the cost of rebuilding City Hall and other City facilities, after taking into account any settlements from property insurance policies and FEMA reimbursements.

It should also be mentioned that if the decision is made to not move forward with the proposed seismic upgrades to the building, the Risk Funds would not be available to fund other parts of the project. Those funds are restricted to risk-related costs, as explained above.

How is a history element being included in the project?

Elements will be integrated in the public areas of the building that help tell the story and history of Eugene. The intention is to create an aspect of our City Hall that is an attractive, interesting, fun destination for families, children, and visitors as well as area residents. It will inspire pride, be educational and engaging. It will highlight local history and may include cultural elements and other aspects of local personality.

Development of this component is still in the early phases. The elements can be incorporated into any of the public areas of the building. There are specific areas available in the ground floor public lobby and perhaps on the main stairway. Elements may also be woven into other areas such as the 3rd floor lobby area and the work session room.

There is a significant opportunity to connect these elements in the building with the public art and the public plaza. The artists recently selected in the percent for art program have expressed strong interest in collaborating to connect these pieces, and conversations on that are beginning.

An engagement process will begin soon to gather stakeholder input into the design of this important component of City Hall. This will include City Councilors, local history experts, and a limited but demographically diverse cross section of the community in order to develop a shared vision and support. This history storytelling component is one potential area for fundraising.

Provide an update on security features for the building.

City Hall will contain a number of security features that have been developed with advice from the Eugene Police Department. Access controlled entry points, secured office areas and multiple exit locations are a few of the safety features being addressed. Staff will brief interested councilors on more specific elements of the security design individually, if requested.

How would City Hall be used in the aftermath of a disaster?

Myrnie Daut, the City's Risk Manager, presented information to Council in September 2015 about earthquake preparedness. One of the key points that she made is that providing community resilience after an earthquake should be a priority for public sector entities, in accordance with the Oregon Resilience Plan recommendations. Implementing those recommendations requires a long-term vision and commitment to actively work on strategies that will help the community recover after a disaster. Upgrading the seismic rating of the new City Hall would be in line with those recommendations.

If a significant disaster were to occur and City buildings were severely damaged or destroyed, City Hall could provide a place for the Mayor and Council to fulfil their duties under the emergency plan, including assisting the public with recovery during and after the disaster. The Eugene-Springfield Multi-Jurisdictional Emergency Operations Plan includes a description of the Council's role in emergencies:

3.2.1 Mayor and City Council

The ultimate responsibility for policy, budget, and political direction for each City government is borne by the respective City Councils. During emergencies, this responsibility includes encouraging public involvement and assistance, issuing policy statements as needed to support actions and activities of recovery and response efforts, and providing the political contact needed for visiting State and federal officials. Additionally, the City Councils will provide an elected liaison with the community and other jurisdictions.

General responsibilities of the Mayors and City Councils are as follows:

- Convene the City Council for emergency session(s). *(Mayor)*
- Assist in communication and coordination efforts with elected officials of other governmental entities. *(Mayor)*
- Ensure the line of succession. *(Mayor and City Council)*
- Be available to address the community, and act as a conduit, within their respective wards or at evacuation centers. *(Mayor and City Council)*
- Review emergency expenditures and ensure adequate appropriation of finance resources to meet emergency expenses. *(Mayor and City Council)*
- Coordinate emergency public information with City Manager's Office staff and Public Information Officer (PIO). *(Mayor and City Council)*

- Meet, as needed, to provide policy direction and enact ordinances that reduce the impact to residents. Examples may include flood plain ordinances, land use and development codes, and anti-price-gouging ordinances. (*Mayor and City Council*)

In addition, a functioning City Hall could be a place where the recovery effort could be led following the initial emergency response effort. In addition, other City services could be temporarily relocated to City Hall if displaced as a result of the event. A functioning City Hall would allow critical services to continue at some level without having to first secure and outfit a new site at a time when there may not be many other options for relocating those services. Other City buildings that meet the current essential seismic standards are Police Headquarters, all Fire Stations (including Sheldon Emergency Operations Center and the 911 Center).

Several cities on the west coast have invested in seismic upgrades of their City Halls, including Los Angeles, Pasadena, San Francisco and Salt Lake City, to help ensure that their City Halls can better withstand earthquakes. An example of seismic work performed for Santa Clarita City Hall is attached.

Provide information about the state of the City Hall site if dams in area were to fail.

The risk of dam failure in the event of an earthquake of significant magnitude is exceedingly low. The dams upstream of Eugene were built to the design standards of their day, using the best available information of the time, to withstand significant earthquakes or other seismic events specific to their locations.

The historical performance of dams in seismic events has been exceptionally good:

- Generally, concrete dams have performed very well, sustaining only minor damage.
- Earthen embankment dams of the design used upstream of Eugene typically perform very well in seismic events.

The US Army Corps of Engineers (USACE) is responsible for the monitoring and maintenance of the dams upstream of Eugene and Springfield. The USACE has a rigorous seismic, safety and risk assessment program.

- The Portland District Army Corps of Engineers conducts quarterly inspections, annual inspections, and 5 year periodic inspections by a multi-discipline team of USACE engineers and operations staff. All dams upstream of Eugene have had a seismic inspection within the last four years.

Another resource is the City of Eugene Emergency Management Program Earthquake webpage with background information on earthquakes and FAQs: <http://www.eugene-or.gov/1163/Earthquake>