

MINUTES

Eugene City Council
McNutt Room--City Hall

December 4, 1996
11:30 a.m.

COUNCILORS PRESENT: Tim Laue, Laurie Swanson Gribskov, Shawn Boles, Kevin Hornbuckle, Barbara Keller, Nancy Nathanson, Jim Torrey.

COUNCILORS ABSENT: Pat Farr.

I. APPROVAL OF THE AGENDA AND TIME ESTIMATES

Mr. Laue moved, seconded by Ms. Swanson Gribskov, to approve the agenda and time estimates. The motion passed, 5:1; with Ms. Keller opposed.

II. ITEMS FROM THE MAYOR, CITY COUNCIL, AND CITY MANAGER

Mr. Hornbuckle arrived at the meeting.

A. Councilor Roast/Toast

Ms. Swanson Gribskov announced a December 16 social gathering at her home honoring retiring members of the council and council-elects.

B. Appreciation

Ms. Keller said, "Thank-you, good luck, good-bye!"

Mr. Laue thanked the councilors for whom this was the last meeting.

Mr. Torrey echoed the sentiment, particularly singling out Mr. Boles for his two terms on the council and other board and committee service.

Mr. Boles said it had been an honor to represent the citizens of Ward 7. He thanked the council for the kind comments expressed.

Mr. Hornbuckle shared Mr. Boles' sentiment and noted that the time commitment was worth the experience. He particularly thanked his constituents for their support.

Ms. Nathanson added her personal thanks to retiring members of the council.

Ms. Swanson Gribkov also thanked retiring members of the council.

Mr. Laue expressed particular appreciation for Mayor Bascom.

Ms. Norris added her appreciation for departing members of the council.

C. Traffic Signal

Ms. Nathanson said a constituent contacted her about having a traffic signal installed, having already discussed it with staff and having been told that these types of projects are set in advance for the year and only intervention by a council member could change the sequencing or budget. Ms. Nathanson asked staff to call her to discuss the process.

D. Parking Problem

Mr. Laue said it has been brought to his attention that there is overnight parking along 24th Avenue between the tennis courts and Roosevelt Junior High School, which is a particular problem for parents dropping children off at the school early in the morning and picking them up in the afternoon. He asked staff to consider signing the area for two-hour limits. City Manager Linda Norris said she would follow up.

E. Mayor Bascom's Farewell Address

Mayor Bascom announced her December 18 Farewell address at noon in the Hult Center lobby.

F. Bicycle Theft Report

Mayor Bascom asked for an update from former councilor Paul Nicholson on the bicycle theft publication. Ms. Norris said she would follow up.

G. Chinju, Korea Video

Mayor Bascom said she would bring to the December 16 council social gathering an edited, shortened video cassette about her sister city trip to Chinju, Korea.

III. COUNCIL DIRECTION: COUNCIL COMMITTEE ON ENVIRONMENT AND ECONOMICS RECOMMENDATIONS--ENVIRONMENTAL IMPAIRMENT INSURANCE

Referring to page 318 of the meeting packet, Chuck Solin, Loss Control/Environmental Manager, reviewed issues related to environmental impairment insurance that could provide a financial resource for the clean up of damages resulting from operations using hazardous materials. He noted that

policies are very specific to certain industries and care should be taken to review them annually to ensure adequate coverage. Mr. Solin said that given the limitations, environmental impairment insurance should not be seen as a long-term measure. He noted that there is a standard exclusion for illegal or intentional acts. Mr. Solin added that he found no other jurisdiction that had imposed such a requirement on businesses.

Ms. Keller stressed that the purpose of the insurance was to ensure that the costs of a disaster were borne by the industry creating the disaster. She noted that the committee saw insurance as an alternative to regulation, adding that the private insurance sector was better able than the City to evaluate risks and assign costs. Ms. Keller wondered if the City could take some actions to lower the cost of insurance for businesses, in much the same way as it does for flood insurance.

Mr. Boles emphasized Ms. Keller's concerns, adding that he was specifically looking for a policy that included first party coverage for the life of the plant, off-site hazards, and a "tail" of twenty years. He said that staff research concluded that the private sector will not insure under those conditions. Mr. Boles said that means that corporations moving into this community who place a risk on the community have "de facto" made the community as the insurer of last resort without permission. He added that he specifically wanted coverage for low probability, high consequence events and was concerned that the council had not taken action to protect the public.

In response to a question from Mr. Farr, City Attorney Bill Gary said there were two sources of remedy available to cities if wronged: Federal protection laws and funding; and 2) tort law remedies. He added that these are adequate remedies so long as the entity has adequate resources to respond to them.

Mr. Solin described the International Standards Organization (ISO) 9,001 standard as a quality control standard for products worldwide. He noted that there was also an ISO 14,001 specifically developed for environmental management systems on an international basis. He explained that this provides the insurance industry with an audit and a standard procedure that allows their underwriters to assess the risks and provide greater insurance mechanisms for their operations. Mr. Solin added that agencies such as the Environmental Protection Agency (EPA) and the Oregon Department of Environmental Quality (DEQ) are considering programs to provide incentives for corporations meeting the ISO 14,001 standards.

Mr. Boles moved, seconded by Mr. Hornbuckle, to extend the discussion by 15 minutes. The motion passed 5:2; with councilors Keller and Nathanson opposed.

Ms. Swanson Gribkov said she believed the council had gone as far as it could, and the insurance industry apparently did not have a product of use to the City. She added that this was simply not within the realm of practicality for the municipality and she recommended not proceeding further.

Mr. Hornbuckle said the only reasonable thing to do is to allow for "the dumping on the community as the insurer of last resort."

Ms. Nathanson said the council has addressed the issue reducing the risk of harmful events and also to reduce the cost to the community of such events. She suggested staff contact the Oregon Economic

Department and/or Congressman DePazio's office for a wider perspective on how to approach the problem and find out how other communities have addressed the problem.

Mayor Bascom said she would distribute in the council packet a report highlighting the fact that there is an increasing number of multinational corporations and that these entities actually have a better record with regard to wages and environmental issues.

Addressing a question from Mr. Laue, Mr. Boles said he was aware of two such events in California, both of which were discharge to groundwater. He added that almost every plant in that state over the last 20 years is now a SuperFund site. Mr. Boles said the local problem would likely involve the release of poisonous gases.

In response to a question from Mr. Laue, Mr. Gary said that if the City has a basis for asserting that there is a risk of having assets dissipate, it can ask for protection from the court immediately.

Mr. Boles disagreed with comments made by Ms. Nathanson and Ms. Swanson Gribakov, saying that if the council takes no action, the City will be the insurer of last resort for these types of events and it will be placed in a position of having to recoup damages from a "shell corporation" whose assets have been moved to its parent corporation at an international level. He added that existing regulations are not adequate to protect the community. Mr. Boles said the council was erring on the side of short-term economic interest for the few rather than the long-term environmental consequences for the many and it is the latter charge that is the council's responsibility.

Ms. Keller reiterated that it is the City that bears the outcomes of such an event and it is the City who will take the primary responsibility of recourse. She said that requiring insurance was a way of insuring that companies meet their moral, ethical, and economic responsibilities. She added that risk that is limited and manageable can be insured against and the fact that the private sector is unwilling to take this risk makes it obvious how large the risks are.

Mr. Torrey said he would oppose moving forward with the issue, but asked to be apprised of new options that become available. He expressed concern that businesses would be forced to locate outside the community, specifically in the City of Springfield—an activity that would not protect the citizens of Eugene should events of such magnitude occur.

Ms. Nathanson said the appropriate mechanism for addressing the problem has not been revealed and suggested working with agencies at the Federal and State levels to find a solution.

Mr. Boles moved, seconded by Mr. Laue, to extend the discussion by 10 minutes. The motion passed, 6:1; with Ms. Keller opposed.

Mr. Laue moved, seconded by Mr. Boles, to direct staff to proceed with the research outlined in the discussion and to report on the results at a later date.

Ms. Keller left the meeting.

Mr. Laus pointed out that there were many more toxic substances stored at the University of Oregon and that posed a greater danger. He asked if requiring environmental impairment insurance was an industry-specific approach. Mr. Boles responded that the intent was to have the private sector posing the risk seek and pay for private sector insurance. He added that it was appropriate for the entire community to bear the risk posed by the public sector.

The motion failed, 1:5; with Mr. Boles voting in favor.

Mr. Torrey moved, seconded by Ms. Swanson Gribkov that the CCEE be sunsetted. The motion passed unanimously, 6:0.

IV. NEW COUNCILOR ORIENTATION

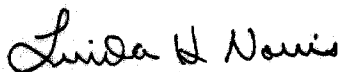
Due to time constraints, the council did not address this item.

V. BALLOT MEASURE 47 LAWSUIT BRIEFING

Mr. Gary provided the council with an update on a lawsuit to be filed by a coalition made up of Oregon communities and other parties. The issues raised in the complaint include the following: the manner in which Measure 47 was adopted; the fact that it violates the State Constitution because the changes it imposes are so sweeping that it constitutes a revision of the State Constitution; and that the manner in which the initiative process is being utilized in this instance violates the guarantee clause in the United States Constitution (the provision which guarantees a Republican form of government). He noted that the City of Portland will also be raising a First Amendment free speech claim based on the fact that people who choose not to vote will be counted as "no" votes in certain elections—denying them the right to "not speak."

The council adjourned at 12:45 p.m.

Respectfully submitted,



Linda H. Norris
City Manager pro tem

(Recorded by Yolanda Paule)
R:\96council\cc113004.126

**City of Eugene
1997 Swearing-In Ceremony and
State of the City Address**

January 13, 1997
11:45 a.m. to 1 p.m.
Composer's Hall, Eugene Conference Center

I. MUSIC

The Michael Denny Duo performs a Broadway show medley.
Michael Denny, guitar
Heather Chriscaden, bass

II. WELCOME TO GUESTS

Eugene City Council President Tim Laue.

III. WELCOME TO NEW AND CONTINUING CITY COUNCILORS

Eugene City Council Vice President Laurie Swanson Gribkov.

IV. OATH OF OFFICE—CITY COUNCILORS

Warren Wong, City Recorder, administers the oath of office.

Billy Taylor, City Councillor-elect for Ward 2

Bobby Lee, City Councillor-elect for Ward 3

Pat Farr, City Councillor for Ward 5

Scott Melzer, City Councillor-elect for Ward 7

Nancy Nathanson, City Councillor for Ward 8

Each newly elected councillor will have an opportunity to address the audience.

MUSIC

The Roosevelt Middle School choir performs songs from the "Sound of Music" and other selections.

Sandra Brown Williams, Choral Director

Candace Syman-Degler, Accompanist

VI. OATH OF OFFICE—MAYOR

James D. Torrey, Mayor-elect, takes the oath of office.

VII. STATE OF THE CITY ADDRESS

Mayor James D. Torrey delivers his State of the City address for 1997.

VIII. MUSIC

The Michael Denny Duo.

Special thanks to Fred Crafts, Critic-At-Large, for arranging today's musical entertainment.