



**REGULAR MEETING MINUTES
TOWN HALL
September 4, 2019 — 6:00 p.m.**

Study Session, Regular Council & TURA meetings are being digitally recorded and will be available on the City website.

1. Call to Order/Roll Call at 6:02 p.m.

| Members Present: | Members Absent: |
|---|-----------------|
| Chair Ayers-Flood Vice-Chair Dolan Member Berlant Member Harrison Member Ponomareff Member Land Member Clark | |
| Also Present: | |
| Sandra Spelliscy, Executive Director Zac Moody, Deputy Executive Director Kurt Sexton, Finance Director Bret Marshall, Public Works Director Gabriella Shahi, City Recorder | |

2. Citizens Heard on Non-Agenda Items

None.

3. Consent Agenda

3.1 Approval of August 21, 2019 TURA Regular Meeting Minutes

Motion: Member Berlant moved to approve the consent agenda. Member Dolan seconded.

Discussion: None.

Vote: All ayes. Motion passed.

4. Regular Agenda

4.1 Update on City / TURA Operations Agreement

Staff Report – Executive Director

Spelliscy read aloud her staff report:

Following the August 21, 2019 TURA Board meeting, I reached the conclusion that it would be in the best interests of both the Agency and the City if I resigned my position as Executive Director of TURA. It was clear that I was not on the same page as the Board in terms of the direction to take to bring the Gateway project to fruition. In addition, because of the time commitment involved, my role as the TURA ED was having a negative impact on my ability to perform as City Manager at the level that I desired and expected of myself.

I have served as the TURA ED as essentially an unpaid volunteer, since I have no formal employment relationship with the agency, and the majority of my term has been uncompensated. I accepted the position because, after several decades of working in the land use and sustainable

development fields, I was excited at the prospect of being a part of a cutting-edge urban infill project in the city, and playing a major role in bringing that project to fruition. Since that prospect no longer appears likely for me, and because of the impact that the ED position has on my city duties, I am submitting my resignation as TURA ED effective immediately. I will also be recommending to the Board that it appoint me tonight as Interim Executive Director until December 31, 2019, to lead the agency through the transition period until a new ED is hired.

Once I made the decision to resign as ED, I began looking at the administrative issues that would arise with the resignation. It was clear that if the City Manager was not serving as the ED, that it also would not be appropriate for the city staff to continue to function as the TURA staff, since they also are not TURA employees and could not report to someone who worked for an independent municipal agency.

City staff has served as the functional staff for TURA since September 2015, when the prior city manager took over as ED. My first step in determining how to untangle the administrative connection between TURA and the city was to look at the agreement between the entities that expressed the rights and responsibilities of each pertaining to the joint utilization of staff, materials, equipment and facilities. As far as I can determine, there is not, and never has been, a formal agreement between the entities regarding the use of city staff and property to support TURA. My staff and I have spent many hours over the past two weeks searching for documents, reading agenda packets and minutes, and listening to audio to piece together the sequence of events that brings us to where we are today. The following is a summary of the timeline of actions that were taken and not taken by the TURA Board, the City Council, and city staff. Spelliscy stated her reasons for her resignation.

Spelliscy reviewed the timeline detailed in the staff report. *The time line it listed in the staff report in the agenda packet for this meeting.*

Spelliscy recommended to the Board the following:

- Accept the ED's resignation, effectively immediately, and appoint her as Interim Executive Director through December 31, 2019.
- Direct the Interim ED to bring back to the Board at its next meeting a draft interim operating agreement between the TURA and the city, and a draft transition plan for the agency, for its consideration.
- Authorize the Interim ED to look into engaging outside consultants to investigate and make recommendations regarding any legal and financial irregularities that have occurred between the two agencies and how incorrect processes can be corrected, with the costs to be borne by TURA.

Discussion:

- Member Dolan stated she feels Spelliscy's report is incomplete. She discussed her list of questions, concerns, and challenges to the staff report that were sent before the meeting. *The list of questions, concerns, and challenges are attached.* Member Dolan stated she does not feel fully prepared to discuss this topic in depth because the staff report was sent out less than a day prior.
- The Board and Staff discussed the practice of tracking hours for salaried employees.
- Spelliscy explained that she is uncertain whether the City has been fairly compensated or if TURA has given too much money to the City.
- The Board and Spelliscy discussed Spelliscy's work contract.
- Chair Ayers-Flood noted reasons she found the report to be incomplete. She stated that prior to the disagreement with the direction of the TURA Board, staff and the Board has found ways to work together. Chair Ayers-Flood stated that these issues needs to go before the City attorney because most the issues appear to be the City's issues rather than TURA. She feels Spelliscy's resignation could dismantle the Agency. Spelliscy responded that she brought this issue forward because she feels that it is in the best interest in the agency.

- Member Clark asked Spelliscy to explain her comment that she is not on the same page as the board. Spelliscy explain how she came to the decision that she should no longer be the executive director of the Board.
- Member Ponomareff stated the crux of the issue is the payments between TURA and the City. She questions if this issue is worth spending more time and money to work out as opposed to taking the proper motions going forward. She noted that better communication is needed.
- The Board and Spelliscy further discussed the payments and operating agreements between TURA and the City.
- The Board and Spelliscy discussed possible costs associated with addressing the issues discussed.
- Member Harrison thanked Spelliscy for bringing this issue before the Board.
- The Board and Staff discussed next steps for hiring a new executive director and conducting the investigation.
- Member Land supports having these issues looked at by an attorney.

Motion (1:29:36): Member Dolan moved to have the Board contact the HR consultant, Ann Marie, to begin recruiting for a new ED. Member Berlant seconded.

Discussion: The Board and Spelliscy discussed Spelliscy resignation. Both parties agreed that Spelliscy will remain executive director until further notice.

Vote: All ayes. Motion passed.

5. Adjournment at 7:48 PM

Respectfully submitted by:



 Gabriella Shahi, City Recorder

The City of Talent is an Equal Opportunity Provider

Note: These minutes and the entire agenda packet, including staff reports, referenced documents, resolutions and ordinances are posted on the City of Talent website (www.cityoftalent.org) after each meeting. The minutes are not a verbatim record: the narrative has been condensed and paraphrased to reflect the discussions and decisions made.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact TTY phone number 1-800-735-2900 for English and for Spanish please contact TTY phone number 1-800-735-3896.

Councilor Stephanie Dolan
Summary of Response to TURA Staff Report
September 4, 2019

Please include this summary of responses with the record of this evening's TURA meeting.
Thank you very much.

Questions regarding the TURA ED job duties and status:

- Was the TURA Executive Director serving as an "unpaid volunteer" when this position's job duties, attached to her employment contract, expressly state as follows?:

*"ESSENTIAL JOB FUNCTIONS: The duties listed below are only intended as illustrations of the various types of work that may be performed. The omission of specific statements of duties does not exclude them from the classification if the work is similar, related and/or a logical assignment to the classification. **The City Manager also performs other special assignments, such as serving as the Executive Director of the Talent Urban Renewal Agency during its term.**" (Emphasis added.)*

- Should we have a discussion with our HR consultant and perhaps attorney as to salary impacts and possible adjustments when a City employee resigns from certain job duties but not others?
- Is the ED authorized to pull all staff from TURA duties when the Board and City authorized fair payment for extra TURA duties?

Pending further discussion and information, I support accepting the ED's resignation and serving as interim ED until we can hire a new one. However, under the circumstances, I would like to see a list of transition duties and would prefer that the interim City Manager is not involved with Gateway, the TURA bonus situation, or in hiring a new person.

Questions regarding the TURA/City relationship

- It appears that either there are gaps in the record, or there may not have been a second reading of the authorizing Ordinance. Over the past year, we have had to have numerous "housekeeping" matters to clean up various ordinances, second readings months later, etc. Is there a reason we cannot do the same with this one, or is it so uniquely different that the action cannot be corrected?
- Is staff being "unable to confirm" something happened the same as "it didn't happen"? The City's and TURA's actions over several years ratified the clear understanding of TURA compensation. Did there have to be an agreement other than what was ratified by Council, TURA Board, Budget Committee, etc.? Best practices would probably be that an agreement be implemented but where does it say that is required or else the

actions are improper?

Questions regarding “financial irregularities”

- “Financial irregularities” means there is money missing, correct? There is no money missing here, and the implication otherwise is misleading.
- It is my understanding, based on memory, discussion with a prior employee and review of the relevant documentation, that TURA was originally paying the City for estimated extra time City staff would be dedicating to TURA for the extra hours above and beyond their regular duties based on an estimated hourly rate.
- That original estimate (\$22,000) was incorrect, as BOLI provides that hourly time tracking would not be advised for exempt employees, (I believe there was an attorney opinion on this, did the ED run this by our attorney? We are not making our exempt employees track time, are we?) so the new estimate was reached based on a percentage that was calculated per position.
- That percentage was changed a few times based on increased activity with Gateway and other factors and surveys of staff and duties. It is my understanding that other urban renewal agencies in our area similarly calculate percentages to account for extra time spent on those activities. The City paid certain employees bonuses every quarter to account for those percentages.
- The budget was amended to increase the bonus amount to \$50,360, to accurately reflect the bonuses for services for City employees performing TURA work. The budget process included a 14 or so person committee, 2 public hearings and approval from TURA and the City. The budget was properly adopted. Just because it was not in the budget message or minutes does not mean it was not exhaustively discussed. (Not every line item discussed makes it into the minutes or budget message, particularly one as banal as our regular accounting of extra pay for extra duties that is customary urban renewal practice.)
- The amount was increased to \$100,000 because of the dramatic increase in Gateway activities and staff time in 2018; I recall Zac presenting about this.
- Spanning fiscal years is confusing and inaccurate. Also, just because invoices were lumped together and not always done on a calendar quarterly basis, does this mean they were inaccurate if the amounts paid reflected the amounts in the approved budget? “No documentation” for certain invoices does not equate to financial irregularities – documentation is best practices but not required when spending down the approved budget items in this systematic way. The numbers can be easily tracked using the percentages approved by Council/TURA per position.

- It's my understanding that everything was vetted by the City and/or TURA attorney. The funds were paid correctly and recorded correctly. Are there funds missing or unaccounted for?
- Moreover, if this was such a highly irregular practice, why did our ED continue recommending it? See below copy of staff report and minutes of October 3, 2018 meeting.

Overall, I am not sure what to make of this report and request for resignation. I agree to allow our current ED to step aside (while responsibly transitioning any pressing TURA work) and that we need guidance from a consultant to help advise us on how best to proceed. However, should our ED should be tasked with that duty given her positions as stated in her staff report? Perhaps our HR consultant can assist with finding the appropriate person or assisting us with bridging this impasse?

What would this look like, from a budget standpoint, to have an entirely new Executive Director position to take over all TURA duties? Would that person also need to take on all TURA administrative details and recording, etc.?

City Council Agenda Report

Meeting Date: October 3, 2018
Primary Staff Contact: Sandra Spelliscy
Department: Administration
E-Mail: sspelliscy@cityoftalent.org
Staff Recommendation: Approval
Estimated Time: 10 Minutes

ISSUE BEFORE THE COUNCIL

Bonus program to compensate salaried City Staff for TURA

BACKGROUND

The transitional period from TURA staff to City staff began on September 1, 2015. In November 2015, Council approved to compensate City staff 1% of their annual salary each quarter in anticipation that staff would be working a considerable number of hours outside of their normal work schedule on TURA duties. Subsequent to the initial approved compensation, Council decided to review the compensation quarterly. The number of hours worked for all salaried City employees has fluctuated in the past year due to many more projects coming to fruition. The tasks that each employee has completed during this quarter are listed below and the percentages have been adjusted commensurate to the work completed.

The bonuses requested have been modified since the request last quarter.

April 1, 2018 – June 30, 2018 (previous quarter)

City Recorder: 1.5%

Finance Director: 1.0%

Community Development Director: 1.5%

Public Works Director: 0.5%

Public Works Superintendent: 0.5%

City Manager: 1.0%

PROPOSED – July 1, 2018 – September 30, 2018 (current quarter)

City Recorder: 0.5%

Finance Director: 1.0%

Community Development Director: 1.5%

Public Works Director: 0.5%

City Manager: 2.0%

ESTIMATED COST TO CITY (this quarter)

TURA Duties (April 1, 2018 – June 30, 2018)

City Manager

- Attend all TURA Board meetings
- Gateway development planning, attending meetings, etc.
- Draft and negotiate final DDA for Gateway
- Work on TURA budget amendments
- Oversight of TURA attorney work
- Oversight of EV charger usage
- Oversight of Gateway Phase II evaluation process
- Assist in Gateway boundary amendment process
- Assist interim ED on all projects

Community Development Director:

- Attend all TURA Board meetings
- Gateway development planning, attending meetings, etc.
- Gateway ROI analysis
- Work on TURA budget amendments
- Assist in developing Gateway DDA
- Planning of W. Valley View sidewalk construction project
- Planning of Audio/Video upgrades for Town Hall
- Urban Renewal Boundary Amendment
- Administer Brownfield Grant
- Administer Gateway Phase II evaluation process
- Right-of-way and land administration
- Prepare budget resolutions
- Prepare TURA Board meeting reports/review minutes
- Authorize TURA payments for monthly expenses

City Recorder:

- Attend all TURA Board meetings
- Prepare TURA packets
- Prepare TURA minutes
- Post TURA news and documents to website
- Organize TURA files (physical and electronic)
- Write public notices and communicate with Mail Tribune staff
- Regularly communicate with TURA Board

Finance Director:

- Attend all TURA Board meetings
- Manage TURA audit process from start to finish
- Prepare TURA monthly financial statements or oversee preparation (depending on the month)
- Answer questions regarding financial feasibility of projects
- Oversee bank reconciliation and accounts payable process
- Prepare monthly check register for Board to review
- Prepare resolutions and staff reports for financial changes (i.e. budget adjustments)
- Manage TURA bank account and Local Government Investment Pool (LGIP)
- Review TURA invoices and sign checks
- Provide information to consultant for annual urban renewal report
- Take deposits to Umpqua Bank
- Manage bond payments

Public Works Director

- Oversee TURA projects - This Includes - Obtaining bids; attending meetings (by phone, email, and onsite) with contractors, vendors and engineers; completing project checklists with contractors and engineers; performing work included in project.
- Projects- Town Hall Sound system, Dias, Valley View/ Tal. Ave Sidewalks.
- Maintain TURA properties and facilities such as:
- Market property, Plaza, Main St bio swale, Round A Bout, TURA Building.
- This includes inspection, installation or repairs with irrigation, weed abatement, signs, lighting, lawn and tree care, vandalism, etc.
- Research, submit, and purchase goods and services for all above properties, facilities and projects.
- Coordinate by phone, email and onsite with volunteers of the Pollinator Garden
- Available for emergencies

RECOMMENDATION

Approval to continue the bonus compensation for salaried staff who complete TURA duties.

RELATED COUNCIL POLICIES

None

POTENTIAL MOTIONS

I move to continue compensation for the following City Staff positions who have TURA duties:

City Manager: 2.0%

City Recorder: 0.5%

Finance Director: 1.0%
Community Development Director: 1.5%
Public Works Director: 0.5%

ATTACHMENT

None

Council Meeting minutes from 10/3/18:

8.5 Discussion of Future TURA Bonus Program

- Spelliscy stated that she plans to ensure each City employee is being give an appropriate base salary. She explained that doing as such will eliminate the need for bonus programs.
- Councilor Baker asked Spelliscy if she will be renegotiating contracts with staff. Spelliscy noted that the use of contracts has been inconsistent. She says it is not necessary to have contracts with all management staff. Spelliscy added that she wants a system for management evaluations come late spring. These evaluations will be done in conjunction with RVCOG.
- Councilor Baker asked Spelliscy about the impacts on staff morale if the TURA Bonus Program is discontinued. Spelliscy responded that she does not foresee a negative impact. She noted that Moody will continue to receive augmented salary as TURA Deputy Director.
- Mayor Ayers-Flood asked Spelliscy to explain the accounting between the City and TURA regarding the bonus payouts. Spelliscy gave a brief description of the amount transferred between the City and TURA each year. She added that the Bonus Program is funded through the City.
- Mayor Ayers-Flood said she does not think the bonus program should be stopped until there is another plan in place.