

REGULAR MEETING
June 1, 1998

CALL TO ORDER:

A regular meeting of the Beaverton City Council was called to order by Mayor Drake in the Council Chambers, 4755 SW Griffith Drive, Beaverton, Oregon, on Monday, June 1, 1998 at 5:35 p.m.

ROLL CALL:

Present were Mayor Drake, Couns. Wes Yuen, Evelyn Brzezinski, Dennis Doyle, Forrest Soth, and Cathy Stanton. Also present were City Attorney Mark Pilliod, Chief of Staff Linda Adlard, Human Resources Director Sandra Miller, Finance Director Patrick O'Claire, Police Chief David Bishop, Fire Chief Gary Nees, Community Development Director Joe Grillo, Operations/Maintenance Director Steve Baker, Library Director Shirley George, Deputy City Recorder Susan Nelson, and City Recorder Darleen Cogburn.

EXECUTIVE SESSION:

Coun. Soth MOVED, SECONDED by Coun. Doyle that Council move into executive session in accordance with ORS 192.660 (1) (d), to conduct deliberations with persons designated by the governing body to carry on labor negotiations. Couns. Yuen, Brzezinski, Doyle, Soth, and Stanton voting AYE, the motion CARRIED unanimously (5:0)

The executive session convened at 5:36 p.m.

The executive session adjourned at 6:33 p.m.

RECONVENED:

The regular meeting reconvened at 6:43 p.m.

CITIZEN COMMUNICATION:

Henry Kane, 12077 SW Camden Ln., called the Council's attention to his concerns regarding heavy flooding, and said there were several documents that verified his concerns. He recalled watching Beaverton Creek as it passed under the West Side Light Rail over-crossing near Hall Blvd., and noted that the distance between the over-crossing and the water was only about one foot. He said the whole downtown of Beaverton was in a floodplain, and that the Army Corps of Engineer's flood plain map had been obsolete for many years. He suggested they provide the City with an updated map and make it available to the citizens. He noted there had been flooding at the intersection of Cedar

Hills Blvd and Hall Blvd., and also right outside City Hall. He stated that the flooding problem would get very serious, as the weather was now in a "wet cycle" according to what he had read. He stated that it might take taxpayers paying a little more money for flood drainage, but it would be cheaper than trying to clean up a flooded house. He suggested it be considered a serious matter.

COUNCIL ITEMS:

Coun. Brzezinski reported that she had been invited by the City of Tigard to participate on the Washington Square Regional Center Taskforce. She noted that the first meeting would be that week and meetings would continue for about a year. She remarked that she thought some City staff would also be on the task force and said she would keep them informed of the progress. She compared her appointment to the task force to the City Of Beaverton including some Tigard people in the Scholls/Murray West Regional Center planning.

Coun. Brzezinski asked the Darleen Cogburn, City Recorder if they were now supposed to give the post office box for the mailing address for City Hall.

Cogburn explained that the post office box was the required address for delivery of mail to City of Beaverton, and next year, the post office would no longer deliver mail with the street address for the City Hall.

Coun. Doyle congratulated the High School Seniors of the area who were graduating and perhaps joining the workforce.

Coun. Stanton reported that she had attended the "Neighbors USA Conference" in Portland, which was very interesting. She noted that the City of Beaverton was one of the sponsors, and asked how that happened.

Linda Adlard, Chief of Staff, said they just volunteered to participate and staff probably put in 100 hours.

Coun. Stanton said she was impressed with the attendance from across the country, and noted that most of the attendees were neighbors, not public officials or staff. She reported that some of the things being done in Beaverton were thought to be on the "cutting edge."

Coun. Brzezinski said she assumed that someone had reported the graffiti on the First American Title building near City Hall, and wondered when it would be removed. She asked if anything had come of the idea that she and Adlard had discussed to create a bright sticker to note that graffiti had been reported, to let people know so they would not get so many calls on each incident.

Dave Bishop, Chief of Police, replied that they had received calls about the graffiti on the First American Title building. He stated that they had

looked at the bright sticker idea, but had not come up with a program yet. He said the police were trying to be very proactive, taking pictures and trying to get the graffiti painted over as soon as possible. He explained that the purpose of documenting the graffiti was it gave the police a message about the “gang-bangers,” who is moving where, and what they were doing. He reported that there was an increase in the number of “gang-bangers” and the turf battles. He stated that the police did not have a problem with the graffiti being reported more than once.

Coun. Brzezinski stated that she understood that he might not care that it was reported more than once, but if she saw something bright then she would know that the police were already aware of it and she wouldn't have to take her time to report it. She thought it would save the citizens and staff time. She encouraged him to keep looking at the idea of stickers.

STAFF ITEMS:

There were no staff items.

CONSENT AGENDA:

Coun. Yuen MOVED, SECONDED by Coun. Soth, that the consent agenda be approved as follows:

Minutes of the regular meeting of May 11, 1998

- 98-127 Boards and Commissions Appointment
- 98-128 Liquor Licenses – Bush Soba (New Outlet)
Up Town Market (Change of Ownership)
- 98-129 Purchase of Library Computer Equipment
- 98-130 BDR 97182/VAR 97013 LA-Z-BOY Furniture Gallery & Cornell Home Center
- 98-131 CUP 98004 *The Round* North Site Modifications
- 98-132 VAR 97012 Homestead Village Hotel Sign Variance
- 98-133 CUP 98001 New Beaverton Elementary School
- 98-134 APP 98002 Appeal of BDR 97002, Greenwood Inn Parking and Berm Modification and Bike Path Placement
- 98-135 CPA 98001/RZ 980002 Hemstreet Heights Annexation CPA/RZ
- 98-136 CPA 98002/RZ 980003 Meridian Gardens Annexation CPA/RZ
- 98-137 CPA 98004/RZ 980005 Cornell Oaks Annexation CPA/RZ

- 98-138 CPA 98005/RZ 980006 Blumton Annexation CPA/RZ
- 98-139 CPA 98006/RZ 980007 Klein Annexation CPA/RZ
- 98-140 CPA 98008/RZ 980009 Tracy Meadows Annexation CPA/RZ
- 98-141 CPA 98012/RZ 980012 Progress Quarry Annexation CPA/RZ
- 98-142 Bid Award – Lombard Avenue Extension Project No. 3205

Contract Review Board:

- 98-143 Waiver of Sealed Bid – Purchase of Mugshot Imaging System
- 98-144 Contract Award for State Mandated Goal 5 Inventory Work

Coun. Soth asked, regarding AB 98-142, if the Lombard Extension would be open or substantially completed by the time that the Light Rail opened.

Terry Waldele, City Engineer, indicated that it would be ready and noted that a bonus had been added to the contract to make sure it was.

Coun. Brzezinski reported that at the Chamber of Commerce Business Issues Committee's Candidates Forum someone announced that the City's festivities associated with Light Rail were going to take place on the Biggi property to the north of the Transit Center. She said Dominic Biggi had said it would be there if there was access.

Mayor Drake clarified that the location was not final, because there were some issues related to the grading and potential permitting, etc.

Coun. Stanton said, regarding AB 98-134, that recalled there was no easement secured from Greenwood Inn. She asked who owned the north/south property, because that was where they were going to start working with the grant money.

Irish Bunnell, Development Services Director, said he believed that the Greenwood Inn had purchased property south of the creek. He noted that if there was a development proposal south of the creek, that would be the time that an easement and bike path would be secured.

Coun. Stanton thought there was going to be some work on the bike path and that it was on the CIP for the next year.

Waldele said Coun. Stanton was correct, there was grant money for the bike path. He explained that it would be used to secure whatever easements or rights-of-way (ROW) would be necessary if it could not be obtained through a development condition.

Coun. Stanton noted that it would be necessary to have a development

project in order to make it through the process. She said she was curious to know why she was curious to know why staff did not include that in AB 98-134.

Bunnell explained that it was determined that there wasn't a nexus with the proposal that was being considered.

Coun. Stanton asked if the Greenwood owned the property all the way down to Denney Road.

Bunnell said he was not exactly sure about ownership without looking at a map that indicated ownership.

Coun. Stanton stated that she was unhappy because she wanted the project to go forward.

Coun. Yuen thanked staff for responding to the questions he had submitted. He noted that, regarding AB 98-129, he understood that the computers for the library would be connected to an NT Server network. He asked if that network would then be connected to the City Of Beaverton's network or PCN. He said he also understood that at least a couple of the CD-ROM workstations were going to have NT Server on them. He asked about the liability of people "hacking" those computers to get into the City's Network.

Shirley George, Library Director, assured Coun. Yuen that at this time they were not planning to connect the CD ROM/LAN network with the City network, so there would be no possibility of "hackers" getting into the City's material. She explained that they would be connected with a PCN so they would be connected with WILI, the County Cooperative's Automated Library System. She confirmed that the software for networking was for the library.

Coun. Yuen explained that if he was given a network operating system like NT with a network card in the PC and a connector that ran from that network to some other connector, unless it had very good system security, he would be able to find his way to somewhere else. He noted that his point was that if these were physically connected to any network at all, they needed to be very careful about security.

Coun. Yuen commented, regarding AB 98-130, (LA-Z-BOY) that he recalled reading somewhere about a concern regarding an easement and how this development would connect to Cornell Road. He asked if anyone knew yet how this would connect to Cornell, and if they were supposed to extend the cul-de-sac, or would it be determined at a later time.

Bunnell noted that Shepherd of the Valley Lutheran Church was directly south of the LA-Z-BOY site and there was an easement through the parking lot to Corridor Court, which connected to Cornell.

Coun. Doyle wondered, regarding AB 98-143, if they could have an update of how they were on the original intent of the CDBG, and said staff could give him the information later.

Question called on the motion. Couns. Yuen, Soth, Brzezinski, Doyle and Stanton voting AYE, motion CARRIED unanimously. (5:0)

ACTION:

Mayor Drake said they would take the action items out of order.

98-146

Classification/Compensation Study

Sandra Miller, Human Resources Director, introduced Virginia Detweiler, a principal with the Mercer firm, who gave a presentation on the recommendations for the Classification and Compensation Study.

Detweiler reviewed the methodology of the project in the order that it was conducted. She explained that they began with the objective, set up the background, the compensation philosophy was developed, then the compensation programs were developed, market pricing was done, job evaluation was done, and concluded with the final recommendation.

Detweiler noted that the current compensation program had not been reviewed for many years, it was viewed as not being competitive with current labor rates, and there were an increasing number of questions about internal equity. She explained that currently, each of the job classifications were paid within their own pay range, which made it difficult to administer. She reported that some jobs that did not have market data, would be ranked against another job using what they called "whole job ranking" but there was no documentation to establish criteria for the pay inequities, when pay data was not available from the market.

Detweiler stated that the compensation philosophy that was developed the past fall was very simple: "City Of Beaverton believes that the compensation program should attract and retain highly qualified employees, promote employee growth and motivation, promote the accomplishment of goals and reward the delivery of excellent service to the citizens and internal customers of the City." She reported that the survey was conducted from regional public sector employers, from which a competitive salary structure based on the relevant market data was developed. She said the market-ranked jobs were then integrated with jobs that were ranked based on internal factors, and the job classification specs were updated and rewritten. She noted that employees were then placed in the appropriate classifications and the base salary structure was reviewed. She said that was the foundation for phase two of the compensation program, which would look at incentive opportunities.

Detweiler stated that the overall compensation program objectives were intended to: support good management practices; link outstanding individual performance with compensation; link outstanding performance by all City employees as a whole, as reflected in the public sector surveys

of satisfaction with compensation; provide competitive salaries and career growth opportunity; provide incentives, rewards, and recognition for quality work and innovation; ensure equitable and objective administration of compensation; establish pay levels to recognize differences in responsibilities and requirements; and facilitate consistent and timely administration of the classification process.

Detweiler remarked that the biggest challenge was defining the market, because when they gathered pay data from organizations outside Beaverton, rarely could they find jobs that were identical. She noted that they looked for similar technical or knowledge requirements for the job, comparable services to their customers, similar types of problems the incumbent was presented with, and similar scope of responsibility, for example budget responsibility or accountability for people. She explained that the other concept they included when looking at market data was that the labor market covered a wide range of pay for any one job, so the market should represent what it would cost to hire an individual with suitable skills and experience. She noted that pay would be higher for a person with a great number of years of experience who was considered highly skilled, and Beaverton was targeting the most capable employees out there, for its highest pay rate at the top of public sector market. She reported that less than half of the jobs had good market data available, and for the jobs without good market data, they had to come up with another ranking method. She said the classic approach was a point factor ranking system, and they (Mercer) developed a custom system for the City Of Beaverton which looked at the following issues: technical skills and knowledge required for a job, how they applied those skills, what kinds of problems were they solving, what kinds of activities did they coordinate, did they have a lot of people or projects to coordinate, how much direction were they given, how much judgement were they allowed to exercise, and if they worked under hazardous working conditions.

Detweiler said they used software developed by Mercer 20 years ago and updated every year, designed to manage surveys and salary structures. She reported that in the process of completing the project, they probably developed 12-15 salary structures to get the one that was the best possible. She called their attention to the graph (in record) which represented the market data and the dots the market 50th percentile. She said that within the market data, that represents the mid-point of 13 regions or cities and was a statistical evaluation, and noted that they (Mercer), used both a curved linear and a straight line regression to see how close the internal job rankings were coming to how the market would rank the jobs and how it would pay, and they came up with a very high correlation of 96.8.

Detweiler explained the charts she displayed on the overheads (in record) and said it would set up a pay structure that was competitive and would allow them to stay on top of the market. She explained that they (Mercer) settled on 16 grade levels because it seemed to work best when they looked at an entry-level job verses an intermediate verses a senior level

job. She noted they factored in the levels of jobs with the market data and with the ranking and when it was pulled together, the result was the best possible structure for the City Of Beaverton.

Detweiler recommended approval of the proposed policy of paying at the rates that are on a market pay line that approximates the 75th percentile of the regional public sector market, because that best represents Beaverton's local labor market. She noted that the general industry labor market was extremely tight with the lowest unemployment rate in 25-30 years, with demand higher than supply, and salaries were moving much faster.

Detweiler explained that adopting the proposed salary structure would result in a total increase of monthly base salary cost of \$58,366. She broke that out as follows: Executives - \$3,910; Management - \$15,697; OPEU - \$20,140; Police - \$18,620, (all monthly), not including fringe benefits. She noted that adopting these salary ranges would result in some movement up and down, which was natural.

Detweiler gave the numbers for percentage changes in range as follows: 29 classifications would have a range increase of more than 10%; 25 classifications with an increase of 5-10%; 32 classifications with an increase of 0 - 5%; 5 classifications would have a range decrease of more than 10%; 5 classifications with a decrease of 5 – 10%; and 28 classifications with a decrease of 0-5%. She noted that the vast majority of employees would receive an increase.

Miller explained that what they were asking the Council to do that evening was to approve the recommendations for the management and non-represented group, and authorize her to begin negotiations with the represented employees.

Coun. Soth asked Detweiler if, from her experience, within any given time period, say 5 years, was it or was it not, a trend for any job classification to change in terms of what they do and how they do it by what equipment is used. He noted that some jobs require familiarity with the computer and various types of associated equipment, and he wondered if this type of change was customary.

Detweiler explained that computer technology was common now, so it was not an applicable criterion for increases, and for most jobs where the content of the job changes, the responsibilities and skills were considered, as opposed to how the work was done. She said that when the job content changed, they recommend a review to see if the pay was still appropriate, and if part of a department was reorganized and had shuffled responsibilities, that would be more typical of what caused a review of a job.

Coun. Brzezinski pointed out that they undertook this project as the first part of a two-phase project, with the incentive program being the second phase. She asked how an incentive payment fit into the salary range that

was identified in a compensation system. She asked if that meant that if an employee was at the top of the grade level, they could not get an incentive payment on top of their regular salary.

Miller explained that what they would be looking at is an incentive program that would be added to the top of this structure so an employee at the top step could increase their compensation with excellent performance. She said they would bring back to the Council what would be similar to a bonus program, so it would be something that had to be earned each year. She noted that an employee within the structure could also be eligible for an incentive, but it may still be just within the structure, and if they were the high performers, they could continue to get the reward for performance.

Coun. Stanton followed up on Coun. Brzezinski's questions by noting that the range increases were for 62% and the decrease were for 38% of the job classifications. She questioned whether those in the decrease or flat mode would still be eligible for a performance bonus.

Miller said they would be eligible for the incentive.

Coun. Yuen asked Detweiler to display the slide that was the proposed grade-to-market regression lines. He inquired if it was correct that they originally plotted it at 75%.

Detweiler said that what they were showing was how close the results of the job evaluation fit with the market ranking. She explained that the proposed grade numbers showed how "the dots were stacking," so above grade 10 there were about four or five market points all stacked on top of each other because they were within one grade, and the line was purely "line of best fit," curved or straight.

Coun. Yuen asked if this was not saying Beaverton was at the 75% percentile.

Detweiler said it was not and explained that they (Mercer) were approximating it by adding 8% on to the 50 percentile, and reported that they had checked it against all of the numbers as they went through the process for all jobs where they had good data for market 75%. She said they checked their approximated or projected 75% against actual, and noted that they were focusing on the top end of the pay range.

Coun. Yuen asked, regarding the comparison of the regression line to the current, if this was saying that the City was actually paying above market.

Detweiler said it was how they defined market. She defined "market" as a range of pay, not a point of pay, and said they (Mercer) were showing that in all cases they were above the market 50 percentile, and at the bottom of the range and a little at the top, the City went above the range. She noted that it would vary a little bit, job by job, but once it was in the salary structure, staff would feel the effect differently, depending on where they

were.

Coun. Yuen pointed out that according to the graph, the middle grades were being moved below the 75%, but the upper end of the grades were moving above the 75 percentile.

Detweiler referred back to what the City needed to pay in the market to hire for certain jobs. She said they should be able to compete to get the people they want, top, bottom, or middle, and the salary structure gave enough room at all ends to pay at least at the 50th, and closer to the 75th percentile.

Coun. Yuen stated that the City had made the choice to hire at the upper end of the pay scale, and they wanted to value their employees. He noted that on the graph, the middle of the salary ranges, were not doing that. He said they were moving the salary to below the 75th, and in some cases, they were actually lowering it to below the current maximum. He expressed his concern that this might send a message to employees that they were not valued as much as other employees because of the way they were adjusting the salary ranges. He noted that it might not make sense from the point of raw economics, but it would certainly look that way to an employee in that range who noticed that their salary range had gone down, and the likelihood of promotion within the City had been reduced. He stated that at some point in time they had to say there were real people associated with the numbers and one of the City's goal said, "we value our employees."

Mayor Drake commented that there was never a doubt that they valued their employees, and what they had done was conduct an impartial analysis. He said that in comparison with like jobs in other agencies, this was where the chips fell, and two-thirds of the positions were recommended for an increase based on market, and for one-third it was recommended that the current salary was appropriate or it was overpaid. He explained that they were suggesting freezing or "red lining" those positions until the cost of living and/or further analysis showed that the individual position would warrant being increased. He noted that market information put the employees at that level; it was all objective information, not subjective, and they were not looking at individuals, they were looking at the job.

Coun. Yuen said he did not want to suggest that there were persons in the room who did not value their employees, but on the other hand, when the employee looked at their paychecks, they would start thinking about how much they were really valued. He explained that in comparing the various graphs, the regression line of the proposed analysis tried to go for the "best fit" to the market, then the other graph charted the regression line against the market. He noted that it seemed clear to him that at a certain point in the salary range, which happened to be in the big, middle ground of the employee salary range, the City was below 75%. He said if they said 75% wasn't overpaying, then why couldn't it be at 75% rather than going down to 70 or 72%. He stated that if he were one of those 100

or so employees in that range, he would want to know.

Miller asked him to look at page 12, (p-50 slide). She pointed out that they could see a straight-line regression and a curved line regression, and said they chose the curved line because it was the line of "best fit," it had the closest r^2 . She noted that the straight-line regression also had a good r^2 , but the curved line regression was best. She explained that they took the curved line regression line and moved it up by 8% to approximate the 75th percentile. She reported that they were trying to approximate something above the median, and they thought they needed to be above the median in this labor market and in the Metro area. She said by going up to an approximation of the 75th percentile, they believed they were establishing the best salary structure. She noted that they should have used the curved line regression again to show where the market 75 and the market 50 were, because she thought they would then see that they were on the regression line. She stated that if they looked at the difference in the way the curve on the 50 was and the way it fit into the 75, it was about the same. She agreed that for the employee who was in one of those frozen ranges, it would not feel like the organization continued to value them at the same level, and it might cause some difficulties. She said they were trying to establish the structure that best fit the market, and by moving it up it made them competitive in the market by providing a good base salary structure. She reiterated that the City could then add an incentive program so that those employees that may not have the same room for growth that they've had in the past would be able to add to their compensation.

Coun. Yuen agreed with that, but commented that they would have a real challenge when it came to the actual 97 employees who were either going to be a frozen pay level or not get as much of an increase in either real pay or salary range as the other employees. He noted that anyone who read this was going to have difficulty when they looked at pages 12 and 13. He stated that if Miller was telling him that the dotted line on page 13 wasn't really the market 75th, then he wished they would have displayed a chart that showed what the market 75th actually was.

Miller assured Coun. Yuen that it was the straight-line regression for the market 75th. She noted that if they had given the Council a curved-line regression for the market 75th, it would have been very similar to the proposed maximum they were showing.

Detweiler added that they were looking at lines that were drawn in one chart using Excel, where they might not be perfectly precise and comparing them to another chart drawn on a different software program where she knew every time she printed it, things came out just a little bit differently. She cautioned the Council to not focus too much on the charts as an absolute "pure" statistical representation when the printing process often "smidged" one way or the other. She commented that if any employee thought the process had undervalued them, that would worry her. She stated that any organization that targeted the top of the pay scale, valued its employees tremendously. She noted that if too

much emphasis was placed on the statistical representation of a pay line and not how people were actually treated with the pay process, the emphasis would be misplaced.

Coun. Yuen pointed out that this was the information she provided but if it was not accurate then maybe they need to do better.

Detweiler stated that they were as accurate as it could possibly be and declared that he was reading a lot into smidgens.

Coun. Yuen declared that there were 97 people who weren't smidgens on the organizational chart, but if you looked at page 13, the differential they had graphed out wasn't a smidgen. He stated that when people see that their salary was going below the current max, then it appeared, according to the graph on page 13, that it was not the 75th percentile. He reiterated that if that was not what they meant to say, then they should not say it. He declared that at some point in time after they finished that meeting, some employee or a concerned citizen would look at the material and come to the same conclusion he had.

Miller explained that one thing they tried not to say was they were paying on the 75th percentile, but instead tried to approximate that percentile. She explained that by saying it that way, they intended a line that approximated that in the market. She stated that it would not be like that for the majority of the jobs. She noted that by approximating that line and setting salaries on that line, in reviewing the salary survey document, they would not find more than three or four of the classifications that were exactly on P-75, but were in a range that was somehow close to that market area.

Mayor Drake pointed out that the administration had been weathering people's reactions to the study and not the graph, because most people had not taken statistics. He said it was really not relevant to the average person if you took their job classification and found comparisons. He reported that people had come to him that might have a 7% recommended increase and they believed that their job did more, was more complex, and they believe that the organization wasn't valuing them enough. He said he cared about them and listened to them, they were good employees but they had to have a scientific basis for it. He said if they had made a mistake as management, they did not warn enough people that there would be winners and losers. He stated that there were no losers - redlines of current salary but no reductions. He reported that the Finance Director and new Community Development Director had both been through this in previous jobs. He said that when positions were evaluated, and some City jobs might not have been evaluated for 18 years, there would be surprises, and it was not a statement of how much employees were valued, it was an objective analysis by the consultants. He noted that was not a consolation for the 97, but nobody was stepping back (in pay). He explained that some positions were staying flat by comparison, some were currently being overpaid, but those were not being asked to take a cut; they would be frozen until cost-of-living or

further analysis brought them up. \

Coun. Soth noted that in no case were they looking at any individual employee, but a position and classification. He remarked that he had been in a similar situation where an employer told him that he was not going to get an increase because his position had changed to the point where the position didn't entitle him to it, so his pay was frozen until his position caught up.

Coun. Stanton asked Miller if they know what their turnover rate was.

Miller said she did not have that information, but could research it.

Coun. Stanton noted that what Coun. Yuen was saying addressed something that she had been thinking about regarding the turnover rate. She said that previously she worked for a union that did a similar study, and when someone had been "over-classified" and the position was reclassified down, they gave them COLA, but no step increases. She commented that they either stayed there until the position was no longer flat, or they left and a new person came in at the new rate. She asked Miller if that sounded like something viable they could do.

Miller questioned if Coun. Stanton was suggesting that the 51 people who were above the top step of the range should continue to receive COLA, but not a step increase. She noted that as there was turnover, they would bring new people in at the new rate, which was the only way the range would ever rise above where they were.

Coun. Stanton explained that this was not just for people in the top of the range, it was for people wherever they were in the range; they would get no steps either if they were already getting paid more. She agreed with Coun. Yuen in his concern about the middle people in the \$3,000 to \$4,500 range, because that was where most people were. She stated that it was the union's job to push up the top because it automatically brought up the bottom, but sometimes it was the people in the middle that really "take it" because that group tended to droop below the line.

Coun. Brzezinski commented that given the attention they had devoted to concern over people who were potentially decreasing or at least not being allowed to increase, she did not think she would get much agreement, but felt that she needed to bring up a policy issue. She was very comfortable with the analysis and thought they had done a remarkable job with what appeared to have been a very broken process and the study was very good. She said, however, it was all based on a policy that was at least 10 years old, which was that City Of Beaverton employees should be paid between the 75th and 90th percentiles, and they had taken the lower limit of that. She asked if that was too high. She explained that the reason she thought the 75th percentile was too high was that if she read the results about benefits, City Of Beaverton employees rank quite high in benefits in terms of total percent of salary devoted to benefits, number of days off, holidays, vacations, etc. She stated that if an incentive plan

would be enacted which would allow people to increase their salary to a higher than median point to begin with, she would like to hear what other people thought about whether the target salary ought to approximate the 75th percentile. She said if they could get the percentage of dollars devoted to benefits down, she would be much more in favor of increasing the percentile rate for salaries, but as long as the benefits were up that high, she had some questions.

Coun. Doyle pointed out that the policy had been in place for 10 years, and he thought it would be hard to back away from it at this point, even if he felt it was inappropriate, which he did not. He agreed with Coun. Brzezinski's observation about the benefits, because that would be increasing everywhere. He stated that he did not think they were out of line with what they ask of the employees, therefore the compensation at that percentage was appropriate. He said his personal observation in the last four years of being on the Budget Committee, was that City staff really hadn't grown much, but the demands had. He said he thought it was a good question and it is something they needed to examine as a policy, but was very comfortable with the current policy, for a multitude of reasons. He said the question about turnover was good, and it would be good to look at the turnover rate in the last two years to see if they had any luck in stemming the turnover in certain jobs. He said one of his objectives with this was to help stop that.

Coun. Brzezinski noted they would not be seeing that turnover if unemployment was at 12%, which was why good people were recruited away. She said they could not look at the result three or four years down the pike to see if implementing the reclassification study had the desired effect unless the unemployment rate had stayed flat-lined in that period of time.

Coun. Doyle stated that was just one of the things they were looking at, staying competitive in a very competitive market, and to take a step down from 75 to 50 would be fatal.

Coun. Brzezinski reiterated that she was not saying 50th percentile, she was just questioning 75th.

Coun. Soth assured them that the decision to project to between the 75th and 90th percentile was not done in a vacuum when it was first established. He explained that one of the reasons was they recognized at the time that you get what you pay for, and they wanted to attract and retain good employees who were well qualified and displayed the ingenuity and desire to progress. He said that kind of level was needed in order to do that. He noted that they had done a similar thing with selected groups of employees about six years ago and in those cases the same kinds of results applied, and the figures checked out and people were not unhappy once they realized the rationale. He agreed with Coun. Doyle that there was no way he would step back from the 75th percentile, but he did think that periodically they needed to make adjustments because things changed. He said since this was the first review of all

classifications in so many years, he thought it was time they looked at it and maintained the projection on the 75th percentile. He noted that with the benefit package being one of the best in the state, when you put it all together, total compensation, in his view, was one of the factors they must look at, but it was very difficult to quantify. He stated that the only way to do that was by a very extensive evaluation of how our deferred compensation package compared to 17 others or the private sector, which was very difficult. He said he thought this was a good product and that they should implement it, particularly with the caveat that the second phase on the incentive programs came about in a timely fashion.

Mayor Drake commented that he thought they were having the kind of discussion they should have. He agreed that there was a very tight job market and it would be different if they had 12% unemployment. He said his concern was that they maintain competitiveness and when a position was advertised, there needed to be a reason to lure people to the City Of Beaverton, whether it was because Beaverton was on the cutting edge, or had interesting development, or was being led by dynamic managers. He said he would be worried to be going from the 75th to 90th percentile down to something lower in this competitive market, with the attitudinal impact on staff, which he believed would be entirely normal. He expressed another concern of at least the initial reaction on terms of productivity. He reported that he had met with a senior manager at NIKE regarding what was happening with them and the focus on the bad press NIKE had gotten for its international affairs. He said that, right or wrong, this person made the comment that the constant bad news had impacted morale, and he was worried about the same thing happening here.

Coun. Brzezinski remarked that she now worked for Portland Public schools, and she need not tell them what the morale was there.

Coun. Stanton said agreed with Coun. Soth and disagreed with Coun. Brzezinski. She stated that if the range had been 75 to 90, going down to 75 was as low as she would be comfortable going. She expressed her concern that it had been 10 years since they've looked at this and suggested they could review these in five-year cycles if they wanted to, so the adjustments could be less severe. She agreed that for 25% to 30% of the staff, this was going to be severe.

Coun. Yuen stated that at this point in time it would not be prudent to reduce the target goal, but as in any business, they needed to be cognizant of what was happening in the market place. He said one reason they were able to pay good salaries in business was because they had good revenues, and if revenues went down, they need to revisit this since they will not going to be in an economic boom forever. He noted that they could be sitting there in a year, talking about some real storm clouds over their heads because of what was happening to big employers in the region. He said revenues could be down, but more importantly it could mean that the salary and the employment prospects for the citizens of Beaverton could become much bleaker and he would ask them to take another look at this. He suggested they file Coun. Brzezinski's ideas in

the back of their minds.

Coun. Brzezinski said she would accept defeat gracefully, and the one thing they did not talk about was having an incentive program on top of this. She noted that if they had not been talking about that, she would not have brought it up. She explained that the issue for her was not that they would be going below 75% as base salary, but together with the incentive program, they would be at least where they had been.

Mayor Drake commented that he would assume that as they gave them instructions on the incentive package, if they approved one, they would provide incentives and set a "pot" dollar figure to work from. He noted that in any given rating period, a certain number of employees might qualify for an incentive while others might not. He clarified that did not see it as a pot of money Council would give the administration and say "go spend it on incentives," unless the employees had earned it.

Coun. Brzezinski agreed that was what an incentive program was for, to spur employees on to being more productive or to give more value. She recognized that if it was given to everyone, it wouldn't be much of an incentive program.

Coun. Brzezinski MOVED, SECONDED by Coun. Soth to approve the allocation of the classification of the grade structure as detailed in the packet and direct the Finance Director to include the necessary appropriations to fund the recommendations for the non-represented employees, and to authorize the Human Resources Director to begin negotiations with the two bargaining units.

Coun. Soth asked if it was the intent to have the Finance Director bring it back under Supplemental Budget procedure or transfer resolution.

Coun. Brzezinski verified that her motion was to implement the recommended action of the agenda bill and she assumed it would be the Finance Director's choice as to which way to go.

O'Claire recommended that they have the option to bring forward either a transfer resolution or include it in a Supplemental Budget. He noted that staff would be looking at it in the next two days to determine which was the best course.

Coun. Doyle pointed out that the recommended action in the agenda bill did recommend either/or as a tool for the Finance Director.

Mayor Drake repeated the motion.

Coun. Doyle remarked that the Council needed to step up and exercise its leadership, since they were recognizing that they were in a competitive market. He said he had always felt this is a great city and this is one way to keep the people working for the City doing a real good job. He noted that the study had recognized something that hasn't been done for about

18 years and it was overdue. He explained that somehow they had to come up with a financially reasonable measure to stem the outflow of talented people, and this was one attempt to do that. He stated that he did not see this as a decrease for anyone on staff, since in the last few years they had only been giving staff COLA, and that would not stop. He said he wholeheartedly supported the motion and asked the rest of the Council to also.

Coun. Stanton said she would support the motion but asked Coun. Doyle if the COLA would not stop. She noted that only those people on the plus side would get the COLAs, but people on the minus side would not.

Coun. Yuen expressed that at that moment he was still not sure how he would vote. He explained that being a public official had been an interesting experience for him and he learned a lot about himself. He stated that when he was sitting there trying to make decisions for hundreds of people, some that he know very well and he care a lot about, he was very concerned about how what he was doing might affect them. He noted that it was also interesting how, when he looked at something and met with people and talked about it, it seems like he got it all, but then when someone made a presentation he saw something he didn't see before, and it could be upsetting. He explained that when he sat down actually made a decision about it, he found that he had values or cared about things, or focused on something that he didn't think he would ever think about. He said he had learned something about himself. He stated that he had strong concerns about the middle of the group, and how those people would perceive what was happening, and said he wished this had come through in a way that would have been better for those 97 employees. He clarified that knew staff had worked hard on this but he was personally empathizing with those 97 employees.

Mayor Drake thanked them for their comments and for caring. He reiterated that the bottom line was the type of service they provide the citizens, and the citizens had come to expect high quality services. He said in terms of the "big package", he thought it was a good package.

Question called on the motion. Couns. Yuen, Brzezinski, Doyle, Soth and Stanton voting AYE, the motion CARRIED unanimously (5:0)

RECESS: Mayor Drake called for a brief recess at 8:20 p.m.

RECONVENED:

Mayor Drake reconvened the regular meeting at 8:35 p.m.

ACTION:

98-145 Engineers Report – Preliminary Design and Cost Estimate for SW 155th Avenue, between Nora Road and Weir Road, and Nora Road along the Avalon Park Frontage

Jerry Williams, Project Engineer, John Reimann, Consultant with WRJ Design and Terry Waldele, City Engineer presented their report.

Mayor Drake suggested that since Council had time to review the report, they just ask questions.

Coun. Stanton commented that she was up on 155th recently on other business and had met a couple who had come to the Sexton Mountain Open House. She reported that they were pleased with the design and even not *too* reticent about an LID.

Coun. Soth noted that as he read the item, a portion was to be funded by an LID. He asked if they had waivers of remonstrance on any of the properties.

Williams pointed out that a sketch was provided in the Council packet (in the record). He explained that depending on the assessment district boundary and method, there was over 50% of the potential assessment; they had waivers of remonstrance that amounted to over 50% of the potential assessment.

Coun. Soth asked how recent the waivers were.

Williams replied that he was not certain, and Ann Melissa Park, for which they didn't have waivers, was one of the first developments in that area around 1990, so all of the properties there were developed from 1990 forward. He stated that most recent would be Camden Crossing, and they were aware that there were waivers.

Mayor Drake noted that Avalon Park and Molly Park had been owned and/or processed by Doug Mull and he indicated enthusiastic support for the LID. He explained that what made it difficult, as always was that, because of the terrain and the condition of the roadway, the separate developments did not allow for a requirement of half-streets along the way, it would have been virtually impossible to engineer. He said consequently, in the case of Ann Melissa, that was recognized early on and they did make a payment of \$35,186.

Coun. Soth remarked that several years ago they decided not to have any more half-streets because they were so difficult to engineer.

Coun. Stanton asked about the "over 50%, etc.," noting that when she looked on the map she only saw 35%. She wanted to know if they were talking about individual pieces in terms of who owned them, or were they talking tax lots or something else that made it more.

Williams explained that the vote was based on the amount of assessment. He said they were talking about properties that would pay in excess of 50% of the assessment of waived remonstrance.

Coun. Doyle asked what the logic or law was in drawing the district

boundary.

Williams stated that there was no law that established a process for determining a boundary. He reported that he had looked at the original lots of record that abutted 155th before the subdivision process started and identified those lots of record as a boundary. He noted that it was not the only one that could be selected, but there was some logic there.

Coun. Doyle said that LIDs were difficult for him and where you drew the lines was interesting because, logically, if you use the street, you should be paying for it.

Mayor Drake explained that part of the logic was that Ann Melissa would connect with lots 8 and 9, and exit out either lining up with Sapphire, or moving east out to 155th.

Coun. Doyle asked if the property owners had been presented any dollar figures at the first meeting.

Williams reported that they had not since they had no numbers at that time. He explained that if the Council decided to move forward with the LID, staff would recommend another meeting with the neighborhood and share some preliminary numbers with them.

Coun. Doyle asked if there was any way to tell a homeowner what their fair share would be.

Williams noted that they could develop estimated assessments based on one-third of the cost of the district being distributed and come back to Council with a recommended assessment method and estimated assessments for everyone in that district.

Coun. Doyle suggested that they present a starting point number to the neighbors so they will get their attention, and added that it needed to be a process that was very deliberate.

Mayor Drake pointed out that the road was very dangerous and the terrain was such that you could not see people coming over the hill. He stated that he still had "scars" from a potential LID on Davis road and the north end on 155th south of Hart. He explained that what made it so difficult was that in some cases along Davis and in some cases on 155th, half of the waivers had expired or they were 10-15 years old, and there was very little nexus between who lived there and what the original agreement was. He thought they would have to be realistic with the citizens in the area when they had the discussion, and clarify that there was very little hope that without this kind of formation, without their participation, a project like this would be funded in the near future.

Coun. Stanton asked if everyone would be notified before the next go-around to pull out their deeds. She was looking at numbers 2, 3, and 7 through 13, that didn't have waivers.

Mayor Drake pointed out that those lots weren't developed at this point; they were huge, oversized lots.

Coun. Stanton reminded them that in 1983, when the City decided to close the pedestrian bridge in her area and was going to do an LID, they wouldn't let her or other families that were interested participate. She explained that it was a bridge they had all used, but the cluster of houses on the other side was being assessed for it. She thought it was unfair to those people when they weren't the ones using it. She felt that they need to give the people a chance to research their own information to see what they had as they went in.

Coun. Yuen asked, after looking at the map (figure 1), about the potential for traffic on Murray north, if 155th went through to Hart.

Williams said 155th stopped at Davis.

Coun. Yuen asked if it went as far as Sexton Mountain School.

Answers of "Yes," from several unidentified persons in the audience.

Coun. Stanton noted that the children living north of Weir Road attend Sexton Mountain School, and some south of Weir as well, but the majority of those attended Nancy Ryles.

Coun. Yuen asked if 155th was the obvious connector to Murray Road.

Again, more answers of "Yes."

Coun. Yuen said it seemed to him that somewhere in the packet there was some discussion about traffic calming, and that it had been decided not to have traffic calming. He expressed his concern that there would be a future need for traffic calming because of the potential for some serious cut-through traffic and he was not sure they recognized that.

Mayor Drake stated that they had discussed the traffic issues and traffic calming at length.

Williams explained that 155th Avenue was a major collector, and one thing to be cognizant of was that the grades were relatively steep, over 10% grade in one location. He noted that when you look at that kind of topography, conventional traffic calming features such as speed humps, platforms, etc. would not work. He said "pinch-points" might possibly work, but they created problems with the bike paths. He noted that they had done some things with the design that they felt were of a traffic calming nature, such as in the curve linear alignment. Shifting the roadway back and forth off the centerline, meandering the sidewalks to break up the straight line effect, and terracing the retaining walls to break up the speed tunnel effect.

Coun. Yuen commended them as a group for trying to be innovative with the design, since it was part of an ongoing discussion that rural looking areas were becoming urbanized, and neighborhoods were trying to maintain the flavor of a neighborhood. He asked Williams if they had given any thought to moving bike paths off the streets and putting them up onto the meander so that the street became 12 feet narrower, but the path would become an 11 foot path where it was 5 feet before.

Williams said they had not.

Coun. Yuen commented that part of the reason for that would be that cars were only supposed to drive on the 12 feet, but if you narrowed the street by 12 feet the amount of space given for the car is still the same, but you've made the street look narrower so there would be sort of a natural traffic calming effect. He noted that in addition, they would give back some of the side and softened the look, and it would increase the appearance of space for people on the sidewalks.

Williams stated that there were policies that prohibited or at least enjoined putting pedestrians and bicyclists together, the same way you try to avoid putting automobiles and bicyclists together; essentially, you changed the victim.

Coun. Yuen suggested that there might be times when they might want to modify that, and noted the difference was in speed and the bicyclist getting hit by a car would be more serious. He expressed his hope that they could be flexible in the future, and said this was an opportunity, particularly if they were already trying to be innovative with the meandering sidewalks. He reiterated that if they could gain the functionality of having the bike paths and at the same time make the street look narrower and achieve the traffic calming effect without losing any of the functionality of the road, it would be a definite plus.

Mayor Drake asked if they had gotten comments from the B.I.K.E. Task Force.

Williams said they hadn't.

Mayor Drake suggested they get input from the B.I.K.E. Task Force on Coun. Yuen's suggestion.

Coun. Stanton agreed with Coun. Yuen, although her concern was with the trees along that strip which she hoped would not be taken out to plant other trees. She noted that some other cities in various parts of the world and here in Greenway Park had the curb and then buffer strip of some kind, and walkers, joggers and bicyclists utilized the same path.

Coun. Yuen added that in the City of Portland and in Europe, where bicyclists and pedestrians shared the same area, you could designate it by color or something. He recalled that in Germany they drew a blue pathway through pedestrian areas that indicated where the bicyclists

were to go.

Coun. Soth asked if they had contacted the other property owners regarding whether or not they would consent to the formation of an LID.

Williams said they had not contacted any property owners relative to an LID. He explained that at the open houses, they had touched on LID's as a funding method with the people that attended, but they had no numbers to share with them, so they did not talk about what the possible assessments might be.

Coun. Soth remembered that several years ago they had sought the settlement either as a waiver or neutral, then they knew going in if they were close to the 50% or if they could expect 60% opposition. He asked what the current right-of-way was (ROW), if it was 40 feet as was customary with county roads.

Williams stated that in the subdivided areas they (ROWs) were 66 feet, 33 feet from the centerline, and in the areas that had not been subdivided they were 50 feet, 25 feet on either side of the centerline.

Mayor Drake reminded them they had put up signs to notify the property owners about the meetings and there were places to pull over to read the signs.

Coun. Brzezinski referred to the agenda bill about the trees and asked if they could really save the trees.

Reimann explained that they tried to save many of the existing trees by modifying the centerline alignment and installing retaining walls and shifting the planter strip to "curb-tight". He noted that to save the majority of the trees outside the ROW, (he pointed out two huge Douglas fir trees), they were moving the sidewalk to "curb-tight" and moving the retaining wall in that area to save those trees.

Mayor Drake asked Reimann to address the drop-off in the area, and what the potential impact was on some of the trees, regardless of what kind of road was constructed.

Reimann informed them that at the worst site distance, they were cutting 4 to 5 feet, because the ground dropped off in the range of 10-20 feet. He explained that when they widen the road, they would have to "catch" as soon as possible and try not to impact the property owners. He noted that it was tough to save the trees in the ROW, with the changes in grades to accommodate the new design criteria, which is a 35-mph design speed.

Coun. Stanton asked if the trees in the ROW that cannot be saved were Douglas Firs.

Reimann said that they were, as well as some smaller, deciduous trees.

Coun. Stanton remarked that she was concerned because with the outer trees out, the inner trees wouldn't survive and would have to come down. She noted that there had been a development in the City where the developer took out some of the perimeter trees and actually came back with a tree preservation plan and they had to take out more of the trees anyway because they discovered root rot. She stated that she now understood that with Douglas Firs, if you took out the perimeter tree, the smaller trees could not survive, so you would end up taking them all out. She wanted to know how many they were going to remove.

Reimann replied that they would try to minimize it, but they would be taking out 10-11 trees in that area. He noted that they had also talked about having an Arborist take a look at the proposed plan to see what their input would be as far as any additional changes in the design to accommodate her concern.

Mayor Drake pointed out that any potential development would have the same impact.

Coun. Stanton asked if the grove was in the inventory of significant trees, or were they just a bunch of "old sticks in the ground."

Reimann said they were not identified on the inventory.

Mayor Drake noted that even if they were, a developer could have a plan to save as many as possible.

Coun. Doyle said he wondered, in looking at the project down past the school to Hart, if the character of the road would be different than the other end of near the school, since the other portion was still very narrow. He said that north of Sexton Mountain Elementary, at the edge of the street where the school property ended, to Hart Road, about two blocks, was very narrow.

Mayor Drake said that was one of the areas they looked at for an LID, and the neighborhood to the west had waivers which were all very old.

Coun. Doyle stated that it was a marvelous design, and wanted to confirm that they had no plans as a City to make anything happen at the other end, the two-block area with no sidewalks or bike paths. He wondered what the difference was between the two sections.

Mayor Drake answered that it was the waivers of remonstrance and that the danger was greater at one end than the other.

Coun. Yuen expressed interest in trying to move the bike path off the street, but it agreed that it might not be possible. He noted that in some sections, there might not be room to put an 11-foot path between trees and retaining walls without impacting the roots. He said he was interested in the idea, since it might provide more flexibility in saving

some trees. He noted that he thought visual traffic calming could help, such as in Waterhouse where they had done pinch-points and some entrance treatments you could feel the difference. He noted that anything they could do to help it would be to everybody's advantage.

Coun. Doyle asked within the tentative box that had been drawn for an LID, how many homes would share in the project; was it was 150 or more. He explained that he was trying to divide the \$700,000, and was trying to get an estimate. He said he would guarantee that if they laid the number out, they would have a well-attended meeting.

Williams said he estimated the total number of parcels was between 125 and 150, but some parcels were proposed for development that hadn't developed yet. He gave the example of Camden Crossing, which had not been platted yet, although it was in the process of development. He said if Council directed them to, staff could return with an assessment roll that would demonstrate what the assessment would be against single family parcels and every parcel within the district.

Coun. Doyle stated that they would need to do that when they go to the public, otherwise, there would be no point of meeting with them. He said if they come down to some numbers and put it in simple terms and explain it clearly, this was the chance to do it, and felt that was essential.

Mayor Drake commented that if this did not come together, he had told staff they were going to look at a different way of doing business. He explained that if somebody builds, the City would take the money so there would be funds, and explained that people believed they were done when they built because they don't look at their title. He stated that he thought they should have some legislative changes. He said when a buyer went to the Title Company and were signing the documents for their new home, there should be an attachment that pointed out that their developer had waived the remonstrance. He noted that there had been times where they did not have the will to go forward, and lost great opportunities. He commented that he ran up that road and it was extremely dangerous and he thought there was no option but to take care of it.

Coun. Doyle said the money should come in today's dollars, and going back for it in five years down the road would do nothing for the sense of government as the community expected it to be. He said it needed to be changed, and it would be difficult.

Coun. Soth said that each year costs went up, and a prime example was what the estimate was on Farmington Road 10 years ago and what it is this time. His recalled that it had quadrupled in that length of time, so as far as he was concerned, the sooner the road was done the better.

Coun. Yuen asked if the suggestion he made about taking the bike paths off the street and putting them on the sidewalks was something that could be done without a whole new design.

Mayor Drake suggested that the Engineers had a chance to caucus and talk about it, and estimate what a revision would be, following Coun. Yuen's recommendation or something similar. He noted they should also get comments from the B.I.K.E. Task Force, and the NAC to see what their general feeling would be on the modification.

Coun. Yuen MOVED, SECONDED by Coun. Soth that Council approve the concept of the design and report, direct staff to examine the four points raised by the Mayor, direct staff to schedule another work session and come back to Council with the information regarding the cost of an amended plan, feedback from the B.I.K.E. Task force and the NAC, and the rest of bullet number two under Recommended Action (in record.).

Mayor Drake restated the motion with the additions of examining potential modifications of staff recommendations including the general concept of the cost of moving the bicycle path off the street and aligning it with the sidewalk, getting a response from the NAC and the B.I.K.E. Task Force.

Coun. Yuen thanked Mayor Drake for his comments and reiterated his thanks to staff for doing something a little bit different than just a straight C4. He said he thought that was the kind of innovative thinking that separated Beaverton from a lot of other cities. He pointed out that they tried not to do "cookie cutter" stuff and really do care about the neighborhoods and what they look like and staff is to be commended.

Mayor Drake added that they had discussed this extensively at staff level anticipating the concerns and trying to have this road fit in properly with the community because it was somewhat urban/suburban, and it would change the character of the neighborhood, as would a development.

Question called on the motion. Couns. Yuen, Brzezinski, Doyle, Soth and Stanton voting AYE, the motion CARRIED unanimously (5:0)

WORK SESSION:

*98-147 Draft of Chronic Nuisance Ordinance (MOVED TO 6-15-98)

ADJOURNMENT:

There being no further business to come before the Council at this time, the meeting was adjourned at 9:25 p.m.

Darleen Cogburn, City Recorder

APPROVAL:

Approved this 14th day of September, 1998

Rob Drake, Mayor