



## NOTICE OF PUBLIC MEETING

CITY OF ALBANY  
CITY COUNCIL WORK SESSION  
Municipal Court Room  
Monday, January 12, 2009  
4:00 p.m.

### AGENDA

- 4:00 p.m. **CALL TO ORDER**
- 4:00 p.m. **SPECIAL PRESENTATION** – Mayor Konopa
- 4:05 p.m. **BUSINESS FROM THE PUBLIC**
- 4:10 p.m. **REQUEST TO EXPAND MEMBERSHIP OF BICYCLE AND PEDESTRIAN ADVISORY COMMISSION** – Bill Pintard  
*Action Requested:* Discussion, direction.
- 4:20 p.m. **BUILDING DIVISION FUNDING** – Greg Byrne, Melanie Adams  
*Action Requested:* Discussion, direction.
- 4:50 p.m. **PARK PROPERTY PURCHASE** – Ed Hodney  
*Action Requested:* Direction.
- 5:00 p.m. **WATER RATE DISCUSSION** – Diane Taniguchi-Dennis  
*Action Requested:* Information, discussion, and direction.
- 5:15 p.m. **ROTARY INTERNATIONAL EXCHANGE VISIT** – Craig Carnagey  
*Action Requested:* Information.
- 5:30 p.m. **GIS APPLICATION DEVELOPMENT SERVICES FOR PERMIT HUB** – Jorge Salinas  
*Action Requested:* Information, discussion, and decision. RES. NO. \_\_\_\_\_
- 5:45 p.m. **COUNCILOR COMMENTS**
- 5:55 p.m. **CITY MANAGER REPORT**
1. Strategic planning, financial forecast meeting
  2. Martin Luther King, Jr., Day event
  3. National League of Cities Pharmacy Discount Card
- 6:00 p.m. **ADJOURNMENT**

City of Albany Web site: [www.cityofalbany.net](http://www.cityofalbany.net)

*The location of the meeting/hearing is accessible to the disabled. If special accommodations to attend or participate in the meeting/hearing are needed, advance notice is requested by notifying the Human Resources Director at 917-7500.*



**ALBANY BICYCLE AND PEDESTRIAN ADVISORY COMMISSION**

333 Broadalbin Street SW, Albany, Oregon 97321 Phone: (541) 917-7777 FAX: (541) 917-7776

December 29, 2008

Albany City Council  
City of Albany  
333 Broadalbin Street SW  
Albany, OR 97321

Re: Bicycle & Pedestrian Commission Member Increase

Dear Council Members:

The Bicycle and Pedestrian Advisory Commission currently consists of six commissioners. We have learned that most commissions have an odd number of members to avoid a tie vote.

The Commission asks your approval of a resolution to increase the number of commissioners to seven with the quorum remaining at four. There have been several meetings in which we did not have a quorum.

Thank you for considering the Commission's request.

Sincerely,

A handwritten signature in black ink that reads "William M. Pintard".

William M. Pintard  
Chair  
Albany Bicycle and Pedestrian Advisory Commission

Ccs:

City Manager Wes Hare  
Jeff Woodward, Public Works Dept.  
Ron Irish, Public Works Dept.



**DRAFT**

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION INCREASING THE NUMBER OF MEMBERS ON THE ALBANY BICYCLE AND PEDESTRIAN ADVISORY COMMISSION**

WHEREAS, on February 13, 1991, the Albany City Council approved the establishment of the Bicycle Safety Commission; and

WHEREAS, on July 22, 1992, the Albany City Council adopted Resolution No. 3185, which set forth the terms of office for commissioners as well as defining the duties and responsibilities of the Bicycle Safety Commission; and

WHEREAS, on December 15, 1993, the Albany City Council adopted Resolution No. 3314, which changed the name of the Bicycle Safety Commission to the Bicycle Advisory Commission; and

WHEREAS, on August 11, 1999, the Albany City Council adopted Resolution No. 4161, which changed the name of the Bicycle Advisory Commission to the Albany Bicycle and Pedestrian Advisory Commission; and

WHEREAS, the Albany Bicycle and Pedestrian Advisory Commission has requested that the Albany City Council increase the number of commission members from six to seven to avoid a tie vote whenever possible and to provide a better opportunity to have a quorum for meetings.

NOW, THEREFORE, BE IT RESOLVED that the number of commissioners on the Albany Bicycle and Pedestrian Advisory Commission be increased from six to seven.

\*\*\*BE IT FURTHER RESOLVED that the initial term of office for the newly appointed seventh member will expire December 31, 2010, and, thereafter, the subsequent term of office will be three years.\*\*\*

DATED AND EFFECTIVE THIS 14TH DAY OF JANUARY 2009.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

\*\*\*NOTE that the initial term of the proposed new member would be two years to better stagger term expirations. Thereafter, the term would be three years. Currently, three members' terms expire at the same time and the other three at the same time but different year.



TO: Albany City Council

VIA: Wes Hare, City Manager  
Greg Byrne, Community Development Director

FROM: Melanie Adams, Building Official *MA*

DATE: January 8, 2009, for the January 12, 2009, City Council Work Session

SUBJECT: Building Division Funding

RELATES TO STRATEGIC PLAN THEME: ● A Safe City  
● An Effective Government

Action Requested:

Discussion and policy direction regarding Building Division financial support.

Discussion:

At the December 8 and December 17, 2008, Council meetings, Council expressed a desire to review other options for funding the Building Division in lieu of a fee increase. As Building expects to be operating with a negative balance by April if current trends continue, staff is requesting policy direction from Council as to possible options for financial support and what, if any, beginning balance should be maintained in the Building Inspection Fund.

When construction was at its peak several years ago, the Building Division had little difficulty absorbing annual increases in personnel and central services costs. However, as the construction sector has fallen deeper into recession over the past nineteen months, the gap between permit revenue and the cost of doing business has become impossible to absorb. Building has been using its savings to offset negative monthly balances, and there is only enough savings to keep the program running for the remainder of the fiscal year if this trend continues.

The size of Building's revenue problem is difficult to measure due to the volatility of the current market. Construction experiences significant ups and downs even in the best of economic times, and so it tends to be difficult to predict the revenue that will be generated in any given month. For example, November was the worst revenue month for Building in at least four years, but December wasn't that much different from past Decembers. Although the monthly revenue trend has been markedly downward overall, the month-to-month variability makes projections extremely challenging. Based on what we know today about the overall market trends and projects still on track to be built in the next year, we are projecting revenues of about \$900,000.

Although we did not foresee the magnitude of the current recession, the downturn in construction did not come as a surprise to the Building Division. For FY 2007-2008, Building reduced spending by 3.9%, while City-wide spending increased by 12.9%. In FY 2008-2009, Building reduced spending by yet another 18%, including cutting one-third of its personnel budget. As staff has detailed in previous Council meetings, Building has been making numerous cuts to its operations throughout the past year, including cutting supplies spending in half, reducing code book purchases, outsourcing staff to other departments, and cutting nearly all administrative support. Despite these efforts to reduce expenses, Building has been unable to close the current gap between our leaner operations and the current revenue picture.

## Building Division Funding

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January 8, 2009, for the January 12, 2009, City Council Work Session

Thus, the threshold question is this: Must the Building Division be entirely self-supporting? If the answer to that question is "yes," and Council does not wish to approve a fee increase for inspection services, then there does not appear to be any alternative in the short term to significant cuts in customer service and staffing. If the answer is "no," then two questions must be answered: 1) How big is the gap likely to be? and 2) How will we close it?

As described above, we are projecting revenues of approximately \$900,000 in the next twelve months. Using FY 2008-2009 figures for wages, benefits, and central services charges, we estimate the need for approximately \$1.2 to \$1.3 million in revenue to maintain current customer service levels through the next twelve months. The gap, therefore, is expected to be between \$300,000 and \$400,000. Annual increases to wages, benefits, and central services charges – exact figures are not yet known – will increase this estimate somewhat

In order to close this gap, there are several funding alternatives to be evaluated:

- Reconsideration of the proposed increase in building fees;
- Temporary waiver of internal central services and information technology charges;
- Administrative fee added to SDCs collected at time of building permit issuance;
- Limited staff reductions; and/or
- Other suggestions?

The Building Division is a service-based program; our product is the customer service provided by our experienced and capable staff. For years, Albany has delivered excellent customer service for a low price, while managing to save nearly a million dollars in the process. Building has been able to achieve this due, in large part, to our ability to attract and retain experienced, highly-certified, team-oriented staff. The Albany Building Division has a reputation statewide as a great place to work, where staff are treated well and valued. They are encouraged to innovate and develop new and better ways of serving our customers. Given our past experience with trying to hire qualified staff during busier construction years, it would likely be very difficult to find comparable replacements for our current staff if we were to lose them during this economic downturn.

Staff is requesting implementation of some or all of these alternatives in order to preserve the integrity of our customer service and avoid losing our remaining valuable, trained staff.

### Budget Impact:

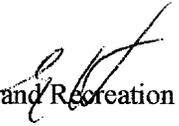
To be determined.

MMA



TO: Albany City Council

VIA: Wes Hare, City Manager

FROM: Ed Hodney, Director of Parks and Recreation 

DATE: January 7, 2009, for the January 12, 2009 City Council Work Session

SUBJECT: Purchase of real property—Eads Park replacement parcel

RELATES TO STRATEGIC PLAN THEME: ● Great Neighborhoods

RELATES TO: ● Master plans.

Action Requested:

Receive a report from staff and provide direction on the possible purchase of a parcel of land from Mike Lydon to replace the former Eads Park.

Discussion:

In executive session at the December 8, 2008 City Council meeting, staff was directed to negotiate the purchase of the subject parcel. This parcel, approximately 33,000 square feet, is needed to replace the former Eads Park (22,000 square feet) as required by federal grant regulations. The former park site has been incorporated into the expansion of the water reclamation facility.

The City needs to purchase this or another property by January 31, 2009 to remain eligible for future State and Federal grant programs.

The owner has agreed to sell the parcel to the City for \$70,000. This value is consistent with an appraisal conducted on the property by the City in May 2006. The lot is currently unimproved and zoned for multi-family housing. This parcel is adjacent to a larger City-owned site at the corner of Alco and Linn, which has already been designated as the new Eads Park. The Lydon parcel will increase the size of the new park and will function as preserved open space with some trail development.

Should the Council so direct, we will formerly seek acceptance of the replacement parcel from Oregon Parks and the National Park Service. Once they concur, we will place on a regular meeting agenda a resolution for the purchase and related budget adjustments.

Budget Impact:

\$70,000 purchase price plus closing costs of approximately \$750. Funds are available in the Parks and Recreation Fund 202 budget.

Attachment: Parcel map

# Proposed Properties for Appraisal Services





TO: Albany City Council  
VIA: Wes Hare, City Manager  
FROM: Diane Taniguchi-Dennis, P.E., Public Works Director *Diane Dennis*  
DATE: December 30, 2008, for the January 12, 2009, City Council Work Session  
SUBJECT: Water Rate Discussion

RELATES TO STRATEGIC PLAN THEME: • A Safe City

Action Requested:

Council discussion on water rates.

Discussion:

Over the past year, there has been citizen input regarding their concerns about the financial strain the existing water rate places on them. In addition, the economic trend with increasing cost for other necessities such as food, shelter, electricity, natural gas, cable, telecommunication, and the volatility in the gasoline prices, is significantly impacting citizens. The water rate issue is further compounded by the current recessionary economy and rising unemployment in the region. Given the strained economic condition, it is timely for Council to consider a one-year forbearance of the water rate increase for 2009.

The staff conclusion is that the impact of a forbearance of a water rate increase for January 2009 will result in a decrease in revenue of approximately \$2.3 million over the next five years. In the current fiscal year 2008-2009 budget, the water fund is carrying a \$1.6 million increase in beginning balance over plan. Council can direct staff to segregate this beginning balance with \$1.32 million into a rate stabilization reserve to partially offset the anticipated \$2.3 million revenue reduction associated with a forbearance of the water rate for January 2009 and \$279,000 for the remaining Certificate of Participation debt obligation for the purchase of the Archibald property. The additional beginning balance includes the proceeds from the sale of the Archibald property. The City received payment for the sale of the Archibald property in the amount of \$1,081,024. With the remaining payments that are due to the Archibalds, a net gain of \$801,400 is realized in the FY 2007-2008 budget. Therefore, in order to cover the full loss of revenue, a target of an additional \$200,000 per year will need to be made-up from savings in expenditures or from additional water sales.

The following information on the water rate analysis is provided for Council consideration of this issue:

*Water Rate Adjustment History and Background*

If the adopted rate plan, established in 2004, is followed for January 2009, the water rates would be increased by the ENR index plus one percent. The 12-month change in the October Seattle ENR Index is 2.3 percent. Therefore, the rate increase effective January 2009 would be 3.3 percent according to the rate plan. With a 3.3 percent increase, the average residential customer's bill would increase approximately \$1.42 per month assuming no change in the amount of water used. The current average residential customer in Albany consumes eight hundred cubic feet (hcf) of water per month (approximately 6,000 gallons per month). If rates are adjusted per the rate plan, the current average residential customer would pay \$43.97 per month for water.

In 2004 Council adopted the long-range water rate plan with the goal of keeping pace with inflation and to slowly expand the water rate base by one percent to address the backlog of capital improvements to the aged water system. The highest priorities included the replacement of the deteriorating steel lines, replacement of canal flow control structures and restoration of canal

channel capacity, increasing reservoir storage volume, and performing maintenance on the Vine Street Water Treatment Plant.

The Water Financial Plan developed by the Mayor's Water Task Force recommended annual water rate increases based on inflation, as measured by the 12-month change of the Seattle Engineering News Record (ENR) Construction Cost Index. The plan called for rate increases equal to the ENR Construction Cost Index plus one percent. The rate plan also put a floor on the rate increase amount of not less than 2.5 percent and a ceiling on the rate increase amount to not more than 6 percent per year. This plan would allow the water utility to maintain service, complete needed capital improvement projects, and pay for the debt service for the water bond projects. The water bond projects included the construction of the Albany-Millersburg Joint Water Treatment Plant, Refurbishment of the Hydropower Facility, and the Fish Screen, Fish Ladder, and Dam Improvements.

The financial model projects future water revenues and is based on several assumptions. The first assumption is that water rates will increase an average of 4.7 percent per year based on the 10-year historical ENR index (3.7 percent) plus one percent. The second assumption is that there is a growth of 1.34 percent each year in water consumption reflecting growth in the City (more customers). The third assumption is that operating expenses have an inflation factor of 4 percent per year.

Between 2004 and January 2008, the Council has followed the adopted rate plan, increasing water rates by the ENR inflation index plus one percent or by the minimum rate of 2.5 percent. Following is a history of water rate adjustments since 2001:

Effective date	Council Action
March 2001	Water rates increased 4 percent
January 2002	Water rates increased 4 percent
January 2003	Water rates increased 9 percent
September 2003	Water rates increased 28 percent
January 2004	No water rate increase
October 2004	Adopted the Water Financial Plan, No water rate increase
January 2005	Water rates increased of 2.5 percent
January 2006	Water rate structure changes to enhance rate equity (implemented a uniform fixed charge for each meter size for all classes, which include residential, multi-family, and non-residential) 2.5 percent revenue increase.
January 2007	Water rates increased of 3.6 percent (2.6% ENR + 1%)
January 2008	Water rates increased of 2.5 percent (-0.2% ENR, minimum 2.5%)

*Past and Current Revenues and Expenditures*

Since the initiation of the water rate plan in 2004, Council has followed the plan for water rate increases. Revenue collection has been higher than anticipated in the water financial model. The original financial model anticipated that water rate revenue between fiscal year 2004-2005 and fiscal year 2007-2008 would be \$40.4 million. Actual revenue received for this time period was

\$42.5 million. The higher than anticipated revenue could be due to two factors. The first is that growth in the City over those years outpaced the assumed growth in the model. Another possible contributing factor could be that water consumption by existing customers may have been higher than anticipated.

Operation and Maintenance (O & M) expenditures for the water system between fiscal year 2004-2005 and fiscal year 2007-2008 was projected to be \$26.9 million. Actual expenditures (O & M) during this time period essentially matched this projection and are on target.

Expenditures for Capital projects for the water system between fiscal year 2004-2005 and fiscal year 2007-2008 was projected to be \$40 million. Actual expenditures for Capital projects for this time frame were \$43.1 million. There were numerous projects that were not accounted for in the financial plan that the City completed because of need and/or opportunity. These projects accounted for approximately \$2 million in expenditures. In addition, each year the Capital Improvement Plan (CIP) was adjusted to reflect available funding so that additional projects were completed.

#### *Impact of a Water Rate Increase Forbearance for 2009*

The following are estimates of revenues and expenditures over the next five years based on a forbearance of the January 2009 rate increase.

#### Future Revenue Projections:

Predicting the amount of revenue that will be collected is not an exact science. There are many variables outside the City's control that can influence the amount of revenue that the City will receive from water rates. The amount of growth and types of growth can greatly impact revenues. In addition, weather plays a big part in how much water is used in the heavy water use months of the summer. Finally, economic factors can play a role in how much water people use or conserve. The comparative summary of revenues makes assumptions about these factors in order to provide a picture of the impacts of different rate choices.

An analysis to determine the difference in revenues generated if the rate plan is followed as compared to a no rate increase in January of 2009 was completed. The comparison assumes that water rate increases will return to following the rate plan in January 2010. The plan assumes that annual rate increases (starting January 2010) will be the average of 4.7 percent. This is based on the historical records of the ENR inflation index being approximately 3.7 percent per year. This follows the same assumptions made when the rate plan was developed in 2004. In addition, an assumed growth rate within the City of 1.34 percent is also included in the rate revenue comparison just as was used in the original rate plan. Therefore, revenue increases reflect both the increased revenue from rate increases as well as growth of the community. Actual future revenues are subject to trends in growth and conservation and weather conditions. Therefore, rate revenues can be significantly different than currently forecasted.

The comparison shows that if Council chooses to forgo the rate increase that would take effect in January 2009 if the rate plan were followed, it is estimated that the total revenue collected over the next five years will be reduced by a total of \$2.3 million.

#### Future Expenditure Projections:

Expenditures for the water system fall under three categories; Operation and Maintenance (O&M), Debt Service, and Capital Expenditures.

The current Debt service is fixed by our payment schedule on the outstanding loan held by the water system. Currently SDC revenues are obligated to pay 43 percent of the principle component of the debt service. The SDC share of the debt service this year is \$327,000. As the principal payments grow over the years, so will the amount of SDC's share in those payments. It is not anticipated that there will be a problem with SDCs paying their share of the debt payments in the next few years. However, given the current problems in the housing sector, if SDC funds become inadequate to cover their share of debt service, water rates revenue may be needed to cover the debt service and then be paid back over time from future SDC revenue when it is available. Council will be further briefed if the situation changes as the annual budgets are developed each fiscal year.

Operating and Maintenance expenses for fuel, chemical, electricity, labor, and central service charges all have inflationary components. The maintenance on the facilities has transitioned towards a prioritized and condition-based approach or Asset Management to balance preventative, corrective, and emergency repair needs. The water facilities to be maintained and operated are the Albany-Millersburg plant intake structure and pump station, canal diversion and control structures, two water treatment plants, distribution system pipeline and pump stations, and reservoirs. There are also expenditures for utility billing, water quality, non-project related engineering, and administration. Staff will continue to manage and control operating expenses to keep within targets.

Capital expenditures will be adjusted by managing the timing of when projects are budgeted in order to maintain a balanced budget. It is important for the City to continue to invest in capital improvements on the canal to repair and rehabilitate the antiquated water control structures and on bank stabilization projects. It is also important to continue to invest in replacing the leaking steel water mains. Significant progress has been made on the distribution pipelines. Approximately 10 miles of steel water lines have been replaced since 2001 with 16 miles remaining to be replaced.

#### *Rate Comparison*

A comparison of Albany's water rates is attached for Council's information. The rate comparison shows what people in Albany and surrounding communities pay for both sewer and water. The comparison includes both typical winter use (8 hcf per month) and an example of what someone would pay with irrigation during the summer with an assumed 20 hcf of water use per month. Sewer costs remain constant regardless of water use for residential customers because their sewer bill is based on an average of their winter water use.

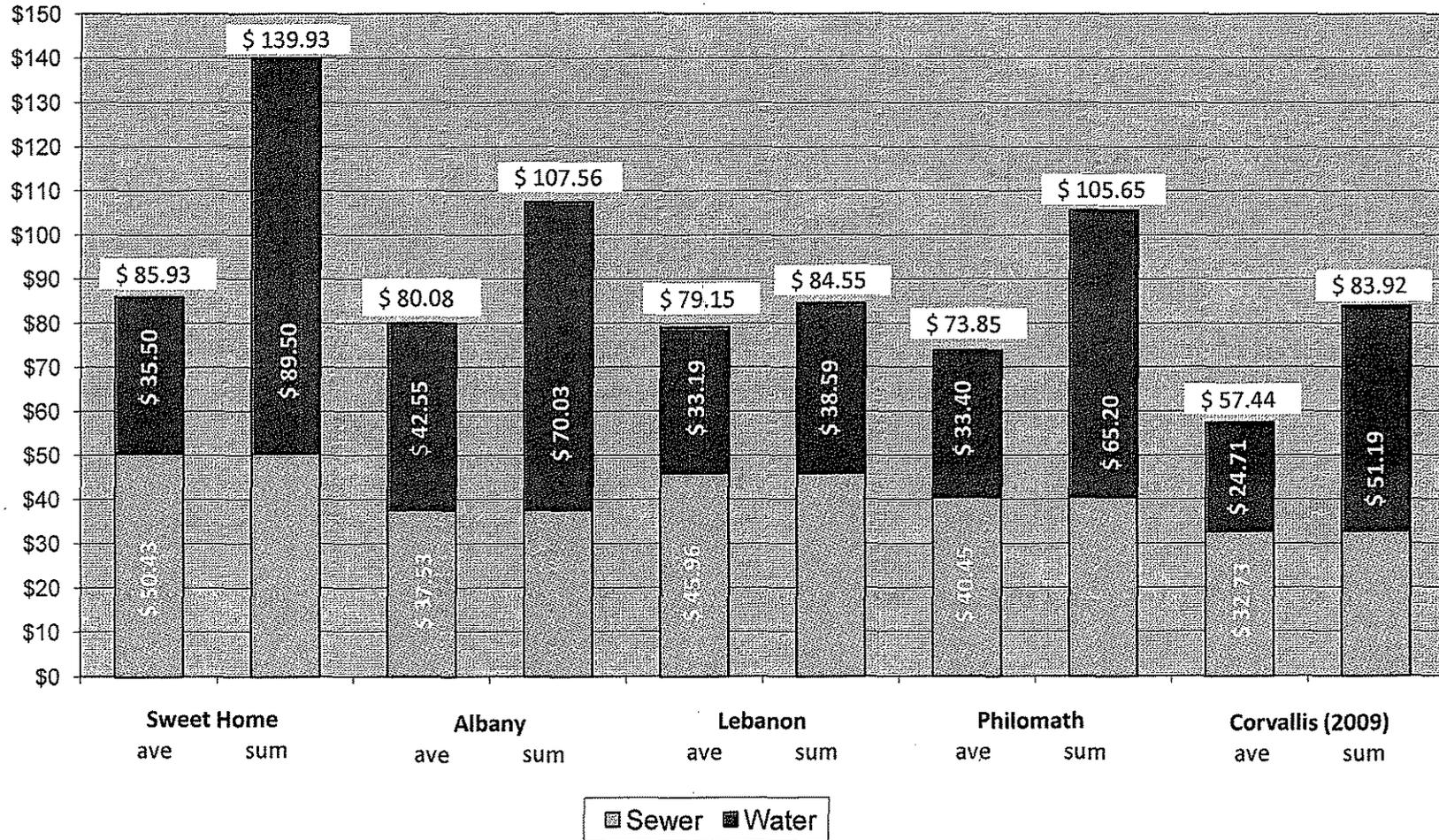
#### Budget Impact:

The forbearance of a water rate increase for January 2009 will result in a decrease in revenue of approximately \$2.3 million over the next five years. In the current fiscal year 2008-2009 budget, the water fund is carrying a \$1.6 million increase in beginning balance over plan. Council can direct staff to segregate this beginning balance with \$1.32 million into a rate stabilization reserve to partially offset the anticipated \$2.3 million revenue reduction associated with a forbearance of the water rate for January 2009 and \$279,000 for the remaining Certificate of Participation debt obligation for the purchase of the Archibald property. Therefore, in order to cover the full loss of revenue, a target of an additional \$200,000 per year will need to be made up from savings in expenditures or from additional water sales.

DTD:kw

## 2008 Residential Water & Sewer Bill Comparison by Community

Assumes 3/4" meter with 8 hcf average & 20 hcf summer water use





TO: Albany City Council  
VIA: Wes Hare, City Manager  
FROM: Jorge Salinas, Information Technology Director *JSS*  
DATE: December 22, 2008, for the January 12, 2009, City Council Work Session  
SUBJECT: Special Procurement – Geographic Information System (GIS) Application Development Services

RELATES TO STRATEGIC PLAN THEME: • Effective Government

Action Requested:

Staff recommends the Council, acting as the Local Contract Review Board, adopt the attached resolution that will:

1. Approve a special procurement method to appoint GeoNorth, LLC, of Portland, Oregon, to provide geographic information system (GIS) application development services; and
2. Authorize the Information Technology Director to negotiate and enter into a special procurement purchase agreement with GeoNorth in an amount not to exceed \$26,850.

Discussion:

Staff recommends the retention of a consultant to provide services for the development of a geographic information system application that will facilitate access to the City's building permit data for both internal staff and external City customers. Council, acting as the Local Contract Review Board, may award a contract without competitive bidding when the contract is for the special procurement of the goods and services required.

State law allows for the direct appointment of a consultant under special procurement statutes with the following requirements:

- The use of the procedure will be unlikely to encourage favoritism in the awarding of public contracts or substantially diminish competition for public contracts; and
- Result in substantial cost savings to the contracting agency or to the public; or
- Substantially promote the public interest in a manner that could not practicably be realized by complying with the other available methods of procurement.
- Public notice of the approval must be given (local newspaper/trade journal) describing what is to be acquired at least seven days before award of the contract.
- Affected persons may protest the request for approval of the special procurement (ORS 279B.400 and OAR 137-047-0700).

This special procurement is justified based on the following findings:

1. The City's geographic information system (GIS) has completed development of an application for internal and external deployment that provides access to the City's GIS data resources – this project was approved through a special procurement request by Council at the regular Council meeting on August 27, 2008.

2. The City's Building Division has requested further development of the application to include access to building permit data resources for both internal and external customers.
3. The application addition will provide numerous benefits to City staff as well as external customers doing business with the City including:
  - a. Improved Staff Efficiency: Making permit data available via the Internet will allow customers to access the data they need without having to obtain the information from City staff over the telephone, thereby saving significant costs to the City.
  - b. Regulatory Streamlining Initiative: The state of Oregon has emphasized the need for regulatory bodies throughout the state to become more consistent and efficient – this application will lay the foundation for the City's compliance with those goals.
  - c. Enhanced Customer Service: Albany is one of the few jurisdictions of its size that does not provide online access to permit information – contractors and customers will derive significant benefits in conducting business with the City through this service.
4. The Information Technology Department has previously made use of a vendor for prior approved contract work who is intimately familiar with the City's GIS as well as the application under consideration. Utilizing this vendor to complete the requested work will provide substantial cost savings over the use of a new vendor who would be unfamiliar with our system.
5. The use of the proposed special procurement process would avoid further delays in the deployment of the new application that would be caused by a more prolonged vendor selection process.
6. Because the requested special procurement is for a single contract and based on a unique set of circumstances, its approval would not diminish competition or lead to favoritism for any other City contract.

The attached Resolution authorizes the use of the special procurement process after adopting the findings needed to satisfy city and state purchasing requirements. The Resolution also authorizes the City to negotiate and enter into a special procurement purchase agreement with GeoNorth, LLC, in the amount not to exceed \$26,850 for application development services.

Budget Impact:

The Information Technology, GIS Services Fund (701-13-2010) FY 2008-2009 budget has sufficient funds to pay for this application development project. The project was approved in the FY 2008-2009 Central Services: Information Technology Department (Geographic Information Services) budget and was originally planned to be developed internally, however, a staff vacancy has necessitated the use of a private consultant to complete the work.

PJB: de

Attachment

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SpecialProcurement\_CCMemo.docx*

A RESOLUTION AUTHORIZING THE SPECIAL PROCUREMENT OF GEOGRAPHIC INFORMATION SYSTEM (GIS) APPLICATION DEVELOPMENT SERVICES.

WHEREAS, Albany Municipal Code 2.66.070 and 2.66.060 (11), Oregon Revised Statutes 279B.085 and OAR 137-047-0285 allow the City Council, acting as the Local Contract Review Board, to authorize the use of the special procurement process for the selection of a consultant for a specific personal services contract; and

WHEREAS, such authorization must be based on a written request submitted by the contracting agency seeking the exemption that describes the special procurement method to be used and the circumstances that support the use of the special procurement as set forth below; and

WHEREAS, under authority granted by the City Manager, Information Technology Director Jorge Salinas has submitted a written request ("Memorandum") for a special procurement process to select a consultant to provide Geographic Information System (GIS) Application Development Services (the "Project"); and

WHEREAS, the City's GIS is an integral component of daily business operations; and

WHEREAS, the City desires to develop an application that provides ease of access to the City's building permit data via the City's geographic information system (GIS) for both internal staff and external City customers; and

WHEREAS, the memorandum describes circumstances and facts that support the use of the special procurement, including the following:

1. The City's GIS has completed development of an application for internal and external deployment that provides access to the City's GIS data resources – this project was approved through a special procurement request by Council at the regular Council meeting on August 27, 2008.
2. The City's Building Division has requested further development of the application to include access to building permit data resources for both internal and external customers.
3. The application addition will provide numerous benefits to City staff as well as external customers doing business with the City including:
  - a. Improved Staff Efficiency: Making permit data available via the Internet will allow customers to access the data they need without having to obtain the information from City staff over the telephone, thereby saving significant costs to the City.
  - b. Regulatory Streamlining Initiative: The state of Oregon has emphasized the need for regulatory bodies throughout the state to become more consistent and efficient – this application will lay the foundation for the City's compliance with those goals.
  - c. Enhanced Customer Service: Albany is one of the few jurisdictions of its size that does not provide online access to permit information – contractors and customers will derive significant benefits in conducting business with the City through this service.
4. The Information Technology Department has previously made use of GeoNorth, LLC, for prior approved contract work and is intimately familiar with the City's GIS as well as the application under consideration. Utilizing this vendor to complete the requested work will provide substantial cost savings over the use of a new vendor who would be unfamiliar with our system.
5. The use of the proposed special procurement process would avoid further delays in the deployment of the new application that would be caused by a more prolonged vendor selection process.
6. Because the requested special procurement is for a single contract and based on a unique set of circumstances, its approval would not diminish competition or lead to favoritism for any other City contract.

WHEREAS, based on the circumstances described above, and the other facts and circumstances described in the Memorandum, the City Council finds that the use of the special procurement will:

- (1) Be unlikely to encourage favoritism in the awarding of City contracts or to substantially diminish competition for the City's contracts; and
- (2) Result in substantial cost savings to the City as follows:

1. The selected consultant has already created components of the project, including database design, development and implementation, data compilation scripting, data maintenance application development, software installation and configuration, and system documentation, that would require significant time and resources of another consultant who is unfamiliar with the project to become proficient with, resulting in higher costs to the City and delaying the start of the project; and
2. The selection of another consultant would require significant additional time from City staff who will oversee the project, increasing staff administration costs. Increased City costs would be realized in terms of the staff time that would have to be dedicated to the development of scope of services and request for proposal documents, project advertisement, proposal review and analysis, consultant selection, and contract development and negotiations.

WHEREAS, GeoNorth, LLC, has confirmed that it has the capacity to complete the project as required by the City; and

WHEREAS, the City is requesting that the contract for Geographic Information System Application Development Services for the project be awarded to GeoNorth, LLC, in accordance with City Code Section 2.66.070, so that the Information Technology Director may negotiate and enter into the contract without further delay;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ALBANY ACTING AS THE LOCAL CONTRACT REVIEW BOARD:

Section 1. Each of the recitals set forth above, and the facts set forth in the accompanying memorandum of the Information Technology Director are hereby adopted as findings of fact; and

Section 2. Notwithstanding the provisions of City Code Section 2.66.070, the City is authorized and directed to use the special procurement method to directly appoint GeoNorth, LLC, to provide Geographic Information System Application Development Services for the project; and

Section 3. The Information Technology Director is hereby directed to negotiate and enter into a contract with GeoNorth, LLC, in an amount not to exceed \$26,850; and

Section 4. This Resolution shall become effective immediately upon its adoption.

DATED AND EFFECTIVE THIS 12<sup>TH</sup> DAY OF JANUARY 2009.

ATTEST:

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Mayor

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City Clerk



TO: Albany City Council  
FROM: Wes Hare, City Manager *Wes Hare*  
DATE: January 8, 2009, for the January 12, 2009, City Council Work Session  
SUBJECT: National League of Cities Pharmacy Discount Card

As members of the National League of Cities (NLC), the City has been invited to participate in a program that offers "up to a 20% discount" on prescription drugs not covered by insurance at participating pharmacies. The program is jointly sponsored by the NLC and Caremark, a private consortium of pharmacies. There are apparently 13 participating pharmacies in Albany.

Caremark offers the same discount card through their Web site to anyone who requests it. The only benefit I can identify from the City's participation would be convenience to our citizens. If the City participates, a citizen could pick up the free card at City Hall and not have to order one online. Since many people, particularly the uninsured, do not have ready access to the Internet, making the cards locally available would allow citizens, who otherwise might not have the opportunity, to take advantage of the discounts if they choose to shop at the participating businesses.

A possible concern is that we have no ready way of knowing whether these discount cards actually help provide lower cost prescriptions to the uninsured. Safeway Pharmacy, for example, is not listed as a participating pharmacy; so someone might be able to get a better price there with their Safeway Card than they could at the Caremark pharmacies with the proposed NLC and City of Albany Discount Card. Since the NLC card would carry the City of Albany logo and we would be expected to promote the program through news releases and our Web site, I am concerned about the implication that the City is certifying the Caremark program as the best possible deal for prescriptions.

Many cities are participating in the NLC/Caremark program, probably because it simply offers a discount that people who shop at the participating pharmacies might otherwise miss. The cards are free and represent no real cost to the City. The following is a news release from the City of Riverside, California's, Web site that demonstrates how the program works:

#### News Release

#### **FOR IMMEDIATE RELEASE:**

Dec. 15, 2008

#### **Contact:**

Austin Carter

(951) 826-5231

#### **City provides Web site for prescription discount information**

**RIVERSIDE, Calif.** – The City of Riverside introduced a program Monday that will provide its residents with a new tool to provide some relief from the high cost of prescription drugs. The city will have free prescription drug discount cards available to residents through a program sponsored by the National League of Cities (NLC). The discount cards offer average savings of 20 percent off the retail price of commonly prescribed drugs that are not covered by insurance.

More information is at <http://www.riversideca.gov/prescriptioncard/>.

"Not only does the NLC prescription discount card help residents save money on their medications, it is easy to use," said Rhonda Strout, director of human resources for the City of Riverside. "Riverside residents only have to show their card when purchasing medication at one of the many participating pharmacies. There is no enrollment form required to get a card, no membership fee of any kind and city residents and their family members can use the card any time their prescriptions are not covered by insurance." The discount cards may be used by all residents of the City of Riverside and has no restrictions based on the resident's age, income level or existing health coverage. The NLC card can be used when purchasing prescription drugs at approximately 100 pharmacies around the city, as well as at more than 59,000 participating retail pharmacies across the country. Riverside residents can pick up the cards at 25 city locations, including the city community centers. The discount card program is administered by CVS Caremark. For more information about the program, call 1-888-620-1749. NLC and Riverside are able to make these money-saving cards available to city residents at no cost to the individual.

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Again, the news release does not explain that this program is available to anyone through Caremark or that there may be less expensive options at other pharmacies. While this program may provide real savings to our uninsured citizens, there are concerns that should be considered before we proceed.

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