

CITY OF ALBANY
CITY COUNCIL (WORK SESSION)
Council Chambers
Monday, February 9, 2009
4:00 p.m.

MINUTES

CALL TO ORDER

Mayor Sharon Konopa called the meeting to order at 4:00 p.m.

ROLL CALL

Councilors present: Councilors Ralph Reid Jr., Bill Coburn, Jeff Christman, Bessie Johnson, Dick Olsen, and Floyd Collins.

Councilors absent: None.

BUSINESS FROM THE PUBLIC

Jim Asleson, Executive Director of the Mid-Willamette Family YMCA, asked if he should speak now or under the YMCA agenda item. Konopa asked him to wait for that agenda item.

RAIL CROSSING CLOSURE REQUEST

Transportation Systems Analyst Ron Irish said this project will enable the railroad to better utilize the rail yard. ODOT Rail and Portland and Western Railroad (PWRR) have asked the City to consider closing one or more at-grade rail crossings in Albany. Connect Oregon granted PWRR \$6,000,000 and PWRR will put in \$2,000,000 matching funds to fund rail improvements. This would improve the efficiency of the rail yard in Millersburg for the railroad, and also benefit the City with reduced blockages at Queen Avenue and North Albany Road. The Connect Oregon grant did not include enough money to improve all the crossing along the corridor, and as a result the project may be in jeopardy if additional funding cannot be secured. ODOT Rail can apply for other federal funds, but they are only available if other closings can be closed. ODOT Rail suggests Madison Street or the Main Street crossing be closed to meet this goal.

Irish introduced Charles Kettenring of ODOT Rail and Dale Hansen of PWRR.

Kettenring said, ODOT Rail supports what PWRR and the City are doing with Connect Oregon. They see it as a worthwhile project because 90 percent of the switching at Queen Avenue would be moved to Millersburg. Also, it would alleviate the train from the Toledo line which typically blocks North Albany Road and Springhill Road while waiting for permission to get to the main line. A third crossing that would be diverted to Millersburg by this project is the track by Garland Nursery. The downside is that Madison Street and Main Street closures could cost \$600,000 each. Kettenring explained that one grant generally equals one rail crossing closure.

Councilor Ralph Reid said, ODOT Rail got two free crossings already, at Chicago Street and Burkhart Street. When they applied for the Oregon Connect grant they knew we would need to close these crossings and so were derelict in not including them.

Councilor Floyd Collins asked, is it a policy or a federal regulation to give one grant for one closure? Kettenring said it is an ODOT Rail policy that the federal agency has gone along with. The federal agency has not yet objected to it when we come with a closure and we pay for upgrades. Collins asked, if we are closing crossings and diverting traffic for rails that are sporadically used, how does that support our transportation system? Kennerly said, ODOT's job is to protect the motoring public and crossings are much safer with automatic gates and lights. From ODOT Rail's position, this is a proper use of federal grade protection money. Collins asked, if the City does not agree to close the crossings, does that put the Left Turn project in jeopardy? Kettenring said yes; ODOT Rail will not let it go through Main Street without proper gate protection.

Councilor Dick Olsen objects to closing either of the crossings. He asked, how many railroad/auto accidents have there been in Albany? Kettenring said there have been very few, because of the money used to close crossings and make the remaining crossings safer. Olsen thinks what ODOT Rail wants closed is unreasonable.

Kettenring said, ODOT Rail would not object if the City wanted to reopen Hill Street and close the other two instead. Collins asked, could we pick another at-grade crossing? Kettenring said no. Collins stated, in order to secure the Left Turn project, the Council is looking at a \$1 million decision in order to comply with an ODOT policy. Kennerly said yes; if the City wants to use this grant money, they will need to make a closure.

Konopa asked Irish, have we counted traffic on Main Street or Madison Street? Irish said Main Street has a higher traffic volume. Staff has not considered the impact of opening Hill Street, as Kettenring suggested.

Olsen said, keep in mind that ODOT also wants to change striping to eliminate traffic from Cleveland Street, Pine Street, Sherman Street, and several streets going on to Pacific Boulevard as well. Irish said those are part of the

Albany City Council Work Session
Tuesday, February 9, 2009

ODOT Safety Project which will make Sherman Street a pork chop, fully close Main Street on the north side of Pacific Boulevard, and close the gull wing at the off ramp.

Johnson does not support closing Main Street. She wants to utilize the grant funds but this warrants more discussion. Collins agrees: we need to evaluate how the striping changes will impact this as well. We need to have a public hearing and get a total picture of the proposals.

Dale Hansen, 200 Hawthorne, Suite 220, Salem, the Vice President of PWRR, said the grant would be signed in about one month. However, he assumes they would not sign until this issue is resolved.

Councilor Jeff Christman wants to see a map with all the proposed projects to evaluate the impact to neighborhoods.

City Manager Wes Hare thinks it is a good idea to have a public meeting, but not necessarily a public hearing. Olsen however prefers to have public hearing so that there is a record.

CONSENSUS: The consensus of the Council was to hold a public hearing.

MUNICIPAL COURT ANNUAL REPORT AND JUDGE'S SALARY REVIEW

Judge Robert Scott said Municipal Court cases have continued to slow down. The January filings were the lowest in the last three years. Staff has made some changes in scheduling to eliminate clients standing and waiting in line. Revenues continue to rise and the City's share increased \$244,000 over 2007 and \$390,000 over the last two years. Municipal Court has spent 46 percent of their budget in the first six months.

Scott said the Municipal Court staff is great to work with. He thanked the Council for approving the remodel, as it will increase staff safety.

Scott also stated that Finance Director Stewart Taylor provides much appreciated support to the Municipal Court staff.

Taylor clarified that on page 3 of the Judge's contract, under Compensation, the last sentence will be deleted and changed to "consistent with other non represented employees" in the final draft scheduled to be signed at the February 11, 2009, Regular Session.

Reid asked, why are "contempt of court" filings down? Scott said, defendants are not making payments. We file contempt of court primarily to get people to pay. Another reason to file is if a defendant fails to go to mandated treatment following the second offense for a Minor In Possession charge.

Hare explained that the main goal of Municipal Court is to promote traffic safety in the community. The good news is that with the increased activity in traffic tickets and Municipal Court cases, there has been a corresponding decline in injury accidents.

YMCA UPDATE

Konopa said she asked for this item to be on the agenda because she talked to City staff and YMCA leadership regarding the location of the YMCA at Timber Linn Park. There are also new Councilors who were not part of previous discussions. She thinks this is a good time for an update.

Konopa's concern is that she believes the scope has changed since this project first came to the Council. The decisions stemmed from whether or not the National Park Service (NPS) would allow the City to sell off property by Timber Linn Lake. She agreed to the YMCA and City working on a joint project for a gym. She recalls, however, that the Council was told the location of the YMCA was not "set in stone." She did not think the project would move forward because she thought the YMCA had to sell its existing building first, yet she noticed that building permits for the project are being processed. She knows folks who are in opposition to the sale of this property. She is in support of the YMCA, but is concerned about the location. It is, and always has been, open space around the lake.

Konopa said that last summer she was on stage at the Timber Carnival and realized that if the YMCA builds there, it would change the view. She likens the YMCA building to a big box. The YMCA's indoor uses, a gym and a pool, do not need to be next to the lake; they can be located on the other end of Timber Linn Park. She asked, is it in the best interest of future generations to give up this lakeside property? Is it fair to the citizens of Albany? She would like the Council to reconsider the location. It has not been approved by the NPS yet. Council did not have a public hearing regarding the location. Also, in the Parks Master Plan (PMP), this property is identified as a community center, but she heard from folks at the (neighborhood?) meeting that they didn't want it there. She thinks the citizens have not been fully communicated with.

Collins asked Parks & Recreation Director Ed Hodney, in addition to the Memorandum of Understanding (MOU), was there a resolution adopted? Hodney passed out a document titled "Chronology- Actions of City Council and others related to YMCA at Timber Linn Park" (see agenda file). Hodney reviewed the timeline.

Hodney recalled the conversation about the location of the YMCA and explained that the decision was to have the building on the north end of the park because the other areas of the park were needed for other activities. Hodney

said they were also very careful to refer to the building as a “community center” during the public meetings, without specifically identifying the YMCA, because there was no partnership with them at that time. The Power Point presentation given at the August 21, 2006, work session included several steps necessary to bring this to fruition. On April 27, 2007, the Council unanimously passed Resolution No. 5414 confirming the location of the building on the north side of the park, which was a critical juncture because the City and YMCA did not want to start spending money on this project without the Council’s go-ahead. Every Capital Improvement Program (CIP) and Budget document from that day forward includes this project. The YMCA held a meeting on February 22, 2007, for the public in advance of their building application submittal. The Planning Commission reviewed it on June 18 and again on June 25, 2007. They voted 6 in favor, 1 opposed, and 1 abstaining, for the project design to move forward for a conditional use permit. The conditions were imposed and were incorporated into the design, which was ultimately submitted in January 2009. Hodney has submitted the proposal to the state, and following their review their opinion will be forwarded to NPS. Neither the state nor NPS have named their choices yet. Hodney said the rest of document outlines what the next steps are.

Collins asked, in this process did we discuss the location with the Linn County Expo Center? Hodney said yes, it was discussed with Randy Porter, the Director, to make sure that what we proposed would address their need for continued use of the park space for overflow parking. Porter said what we designed would support the number of RVs they would typically expect to be parked on the grass, in the event the parking lot was full. Hodney referred to a letter on dais from Judy Keppler (see agenda file). The letter suggests parking issues for RVs, but Hodney wants to remind the Council that Porter affirmed the sufficiency of the design for the Expo’s overflow parking needs.

Konopa said, Resolution No. 5414 said that NPS had the final say. Hodney confirmed that NPS does have veto power.

Konopa asked, who was notified about the February 22, 2007, YMCA meeting at the site? Hodney said, about 600 homes, which is an area larger than what would be required for a Planning Commission. Konopa said, but this is a regional park. Hodney said, we did press releases and newspaper articles as well, because we were very interested in the public’s opinions. Konopa said, the Planning Commission meeting was to review the site plan, not the decision to sell this property. Hodney agreed that the focus of that meeting was the facility. Konopa said, the site plan did not come to the Council. Hodney said that is correct; typically a site plan would not come to the Council unless the Council requested it.

Christman said he also talked to Porter. While Porter did express some concerns, he does feel they can be worked out by using other creative ways to park RVs and shuttles. Christman said Porter was satisfied with the design.

Christman asked why item 10, under “Next Steps” on the handout out, says that the timeline is unknown. Hodney said the state parks and NPS review of the conversion request can take six months, although they will not commit to a timeframe. It could take less time, but they won’t tell us when the decision will be made.

Olsen said he has not seen the site plan but at the three events he has attended, the Timber Carnival, the Linn County Fair, and a swap meet, the overflow parking was full. Hodney said Porter provided a maximum number of RVs that could require overflow parking and the site plan was engineered to accommodate them. Hodney can provide that information to the Council if they would like.

Councilor Bessie Johnson pointed out that there was full consensus from the Council on each vote listed on Hodney’s timeline. She also recalls that at the neighborhood meetings, as more information was shared the neighbors became more supportive of the project. As far as the full citizenry being aware of the project, the *Albany-Democrat Herald* has run articles about the developments in this project. Johnson thinks the public is aware of this project and said she has not been approached with any negative comments in regards to the facility being located near the fairgrounds.

Collins asked, how much money has the City and the YMCA spent? Hodney said the City spent \$65,000 to \$75,000 on wetland mitigation and site delineation over four years, not including staff time.

Reid said he recalls seeing a site plan for this. Hodney located a memo from retired Community Development Director Helen Burns Sharp which had been forwarded to the City Council. The memo contained the Planning Commission decision, site plan, and minutes. Reid said his recollection is that the neighborhood was aware and actually requested some changes such as moving driveways. He believes making those changes was one of the reasons why the Council moved ahead with the project. Hodney said there has been some opposition, but we have also had a lot of support expressed for this project.

Konopa thinks we should have a public hearing regarding the sale of the property.

Jim Asleson, 3311 Pacific Boulevard, is speaking on behalf of the YMCA leadership. He introduced YMCA Board President Jerry McIntosh.

Asleson said, there are many people here concerned about the Mayor’s desire to change the previously approved City decision to locate the YMCA at the north end of Timber Linn Park, a location recommended to the YMCA by City staff. YMCA leadership and supporters are profoundly concerned and deeply troubled with the implications of such a change at this late stage of the YMCA/City partnership. It is particularly troubling in that the Council has voted in unanimous support of the project every step of the way, including the votes of then-Councilor Konopa. As outlined in Hodney’s chronological timeline, this includes six different occasions of unanimous Council support.

Asleson said, the YMCA was two years into its capital development plan when the City first approached the YMCA in 2004 regarding consideration of a partnership to build a new YMCA/City gymnasium. The concept was presented as an exciting addition to the new 15 year master plan for Timber Linn Park and a means for the City to secure additional much-needed gym space for its programs. The Timber Linn park location was identified in early YMCA research as the optimal site to provide maximum services to the highest number of Albany residents. A partnership with the City seemed an ideal strategy at the time. The Timber Linn PMP, including a community recreation center located at the north end of the park, was subsequently approved by the City Council. To change the location of the facility now would be a violation of the existing PMP.

The YMCA and City also approved a MOU to establish a collaborative partnership to build a new YMCA/City gymnasium facility to be located at the north end of the park as approved in the PMP. The partnership has been widely publicized in the press to the community on numerous occasions over the last nearly five years. In addition, the partnership and the site have been promoted to potential donors, service clubs, and community organizations, including the Albany Area Chamber of Commerce in a "Building Albany Together" video presentation. The YMCA has promoted the partnership as the most cost effective way to provide improved recreational and family services to not only the Albany community, but to surrounding communities as well, including the city of Millersburg, which made a significant investment in the campaign so that YMCA/City programs and services would be more accessible to their community.

Asleson said, the YMCA has secured more than \$6 million in cash and pledges to the capital campaign, not including the proceeds expected from the sale of its current property and the expected \$1.3 million contribution from the City for the second gymnasium: for a total of \$10.5 million in campaign assets. Most of these contributions were made in the good faith expectation that the YMCA would be constructed at its current location at Timber Linn Park. In addition to the funds already pledged, the YMCA has been advised that it will be eligible for at least \$1 million in additional foundation grants once the existing YMCA site is sold and final operating agreements are struck with the City. If the project does not accomplish these outcomes, the YMCA will not be eligible for these grants.

The YMCA has done its due diligence as a collaborative partner every step of the way in keeping with the City's project approval process, including the approval for the MOU, the inclusion of the YMCA as a Community Recreation Center in the Timber Linn PMP, the City Council resolution authorizing expenditure of park funds toward the project, and the conditional use permit granted by the Planning Commission. The YMCA's commitment to the partnership may be best illustrated by the fact that when the City informed the YMCA that a long term lease of the Timber Linn site was not possible, as originally proposed by the City, it made a commitment to secure a parcel of land to be traded for the YMCA site at the park.

Asleson said, we understand that state and federal parks agencies must approve the trade parcel before final partnership agreements can be approved by the Council. It was our understanding that this process was likely to take as much as six months once the YMCA secured the property for trade, and also required an approved site plan for the new YMCA. Since the parcel for trade was secured in May of 2008, it has now been nearly nine months; and we are still waiting for approvals. In the meantime, construction costs have escalated by more than 30 percent.

It is our clear intention, Asleson said, to continue with and complete the project as planned at Timber Linn Park. To do otherwise is unacceptable. The YMCA has well over \$1 million invested in the project at the approved site at the north end of the park. We have filed for a building permit, plans are under review, and we fully intend to break ground this summer. It is also our clear expectation that the City of Albany, including the Council and the Mayor, also remain committed to the partnership at the approved location and enthusiastically support and expedite the completion of the land swap and all remaining partnership agreements in support of project groundbreaking this summer. Should this not be the will of the Council, we would expect that all YMCA project costs associated specifically with the approved location at Timber Linn Park be reimbursed to the YMCA.

Asleson asked, beyond the YMCA, what does it say for any future potential collaborative efforts with the City of Albany as a reliable business partner should the City mandate a change in location for the YMCA as we approach groundbreaking?

In summary, Asleson said, we cannot break faith with our donors and our community and change the location of the project at this late date. To do so would not only cripple the YMCA's ability to secure additional capital support, it would severely damage our capacity to secure contributed support for any purpose, capital or otherwise, in the future. The subsequent damage to our reputation and ability to serve this community would be irreparable.

Collins asked, the YMCA's cost so far is over \$1 million, correct? Asleson said yes. Collins asked, so if the state and federal agencies deny the request, is that investment at risk? Asleson said yes; if the state does not approve this land, we would look at other options so we can successfully meet the criteria.

Collins said, the City is functioning in other partnerships with agencies such as Wah Chang, National Frozen Foods, and Albany Boys & Girls Club. The City cannot provide all community services alone; we need partnerships. In reviewing the decision process in this chronological order, what is the basis for potential partnership agencies to trust the City? This is beyond agencies and individuals. Collins asked, when does the community as a whole, know that what we say is what we do? These are the same folks who the City will be asking for support for bonds, etc. Collins said, based upon this chronology we have a tacit agreement that we are in support of the project. To do otherwise now, would be a disservice to our entire community.

Johnson agreed. She thinks it is wrong to even bring this up at this late date, because we have an agreement in place with the YMCA and they have raised millions of dollars. It tarnishes the integrity of the City. We need to continue with this plan as it is. There are many businesses represented, and the donors are the same ones who support City events such as Northwest Art & Air Festival and River Rhythms. Johnson doesn't think this should be a point of discussion and feels we should proceed with no changes whatsoever.

Councilor Bill Coburn said, while he is a new Councilor, he is very well aware of the project and is in full support of the project as is.

Christman suggested the Council reaffirm their support by motion.

MOTION: Christman moved to reaffirm support of the joint City of Albany and YMCA project located at the northeast end of Timber Linn Park. Johnson seconded the motion and it passed 6-0.

Konopa called for a short recess.

RECESS

The Council recessed at 5:35 p.m.

RECONVENE

The Council reconvened at 5:41 p.m.

BUILDING DIVISION FUNDING PACKAGE

Building Official Melanie Adams identified three ways to carry the Building Department through to the end of the fiscal year:

1. Building permit fee increase. There is a 40-50 percent disparity in the current fee structure and the cost of doing business, in part because Albany has not raised fees in a long time. Albany's fees are the lowest, on average, in the region. Per Council's request, Adams has submitted the required notification of a 20 percent fee increase to the state, although the Council is not committed to that rate.
2. System Development Charges (SDCs) transaction fees. Building staff has collected SDC fees on behalf of Public Works and Parks for many years but has not received compensation for this service. Addition of an SDC transaction fee would be compensation for performing a service that has value for both customers and the City as an organization.
3. Waive Central Service charges. There is currently a beginning balance being carried in the Central Services fund, which could be used to waive one year of Building's Central Services charges. However, if the reserve is used towards the Building Department's fees then there would be no buffer for next year and as a result, all Departments would experience fee increases in Fiscal Year (FY) 2009-2010. Waiving the one-year charge would save Building over \$100,000.

Konopa doesn't think waiving the Central Service charges altogether is fair to the other departments. She prefers to take funds from contingency to help the Building Division. It's a fairness issue. Johnson agreed. Finance Director Stewart Taylor said he does not recommend it because then the General Fund contingency would bear the full brunt of the economical crisis.

Hare said, staff is asking the Council for discretion to use these tools as needed to assist the Building Department in the short term. They recognize these are not long-term solutions.

Collins questioned the timeframe and cost associated with processing the SDC fees as identified in the staff report. In past years, all transactions were processed by Utility Billing employee cashiers and the cashiering function used to be paid out of Central Services. When the permit processing function moved to the Building Department, he is not sure those fees were decreased. He asked, what is the most efficient way to process the fees? If the City's intent is to move to a one-stop shop, then Building's recommendation is valuable but the transaction fees as listed on the staff report do not represent the weighted cost.

Coburn said he is surprised at the proposed \$150 fee for collecting SDCs. Adams agreed it is a high number, but Council's direction to staff was to look at actual costs, including overhead, which she did. Staff cannot separate the SDC process from their current procedures because the SDC collection process has been consolidated with other processes for maximum efficiency. Processing involves phone inquiries, files, data entry, helping counter customers, etc. The payment process with the customer may only take 5-15 minutes, but overall the maintenance of the SDC payment program takes much longer. Adams said, this amount is a reflection of our actual costs for a valuable service.

Coburn asked, how much revenue would you generate from an SDC transaction fee? Adams said the estimate for FY 2008-09 may be just \$6,000 – \$10,000, though it is very difficult to predict since it is based on building activity. She does anticipate it will increase during summer months.

Albany City Council Work Session
Tuesday, February 9, 2009

Adams said other jurisdictions charge an administrative fee which compensates the building division for the extra things they do for other departments. The fees are not necessarily reflective of true overhead costs, but the compensation does provide some relief.

Chrisman asked, how much additional revenue would a 20 percent permit fee increase produce? Adams said, about \$40,000 conservatively, from March to the end of the FY, including a minimal spike in the spring.

Konopa suggested considering permits on a regional basis. The City, Linn County, and Benton County could combine inspectors since all are struggling with the same issues.

Olsen asked, could we reduce the work week? Hare said yes, although the City would still be required to pay benefits which are more costly than wages, so it doesn't save much overall.

Hare said staff is asking for flexibility to work to maintain certified people now, and if in the future there is not enough work to justify a full staff, to make adjustments with reduction in hours or layoffs.

The regional concept could be considered, but Hare said it boils down to what level of service our citizens want. In his experience, regional services can be frustrating for the citizens.

Adams said that if the Council wishes to proceed with the fee increase proposal, a public hearing should be scheduled for March 11 to meet the permit fee increase noticing requirement. This does not lock the Council into a specific rate.

Coburn would like to move ahead with the public hearing. He is not satisfied with the overall proposal yet and feels it needs some fine tuning, but he thinks input from others will help.

Collins wants to know the net cost to the General Fund Contingency, without waiving Central Service Charges and charging administrative fees. He would also like the Homebuilders Association to discuss what kind of service they want from the Building Department and are willing to pay for, because that will dictate what kind of service we should provide

Community Director Greg Byrne said that in the past several days Adams and other Building staff have dealt with three serious fire and life safety events, important work which has no associated revenue stream. Work done without permits jeopardized a building's safety in one case, and in another case construction took place over a sewer easement. The Albany community needs these professionals available on short notice, but this is an area where we are not going to get feedback even though it is valuable. Collins agrees these are necessary services, and said that these two fire/life safety examples Byrne provided further supports his suggestion to use General Funds for these activities.

Hare confirmed that Building Inspectors have spent a lot of time working with the Code Squad on code enforcement issues, so it is a long standing practice. The types of complaints are various.

Collins wants staff to consider what department should be processing permits for other departments, or if the permits should be processed by the originating department.

CONSENSUS: Council consensus was to hold a public hearing for the proposed building permit fee increase on March 11, 2009.

Byrne expressed gratitude to the other Directors for their willingness to allow Building's Central Service charge to be waived, should the Council move in that direction.

CITY CHARTER REVISION ELECTION

Public Information Officer/ Management Assistant Marilyn Smith asked the Councilor's to notify her of any changes they would like to the Charter revision prior to the Wednesday Regular Session.

“VISITING COUNCILOR” DISCUSSION

This item was postponed until the Wednesday, February 11, 2009, Regular Session.

COUNCILOR COMMENTS

Coburn would like the taxi license issue to be put on a future agenda. He has some ideas to share.

Konopa received a letter from the Linn County Board of Commissioners requesting a joint meeting with the Council (see agenda file).

CITY MANAGER REPORT

There was nothing to report.

Albany City Council Work Session
Tuesday, February 9, 2009

ADJOURNMENT

There being no other business, the Work Session adjourned at 6:36 p.m.

Respectfully submitted,

Mary A. Dibble, MMC
Deputy City Clerk

Reviewed by,

Stewart Taylor
Finance Director

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