

CITY OF ALBANY  
JOINT WORK SESSION  
of  
LINN COUNTY COMMISSIONERS  
and  
ALBANY CITY COUNCIL

Monday, March 30, 2009  
Albany Public Library Meeting Room  
2450 14<sup>th</sup> Avenue SE  
4:00 p.m.

**MINUTES**

CALL TO ORDER

Council President Ralph Reid called the meeting to order at 4:03 p.m.

PLEDGE OF ALLEGIANCE

ROLL CALL

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

Councilors absent: Mayor Sharon Konopa.

Commissioners present: Commissioners Roger Nyquist and Will Tucker.

Commissioners absent: Commissioner John Lindsey.

INTRODUCTIONS

Linn County Commissioner Chair Roger Nyquist introduced Commissioner Will Tucker at the dais and County Administrator Ralph Wyatt in the audience.

Reid introduced Councilors Bill Coburn, Jeff Christman, and Floyd Collins at the dais. Reid introduced City Manager Wes Hare, Finance Director Stewart Taylor, and Public Information Officer/Management Assistant Marilyn Smith in the audience.

BUSINESS FROM THE PUBLIC

There was no business from the public.

REPORTS

*PepsiCo/Gatorade update*

Hare said there is not much new information to add to what has already been published in the *Albany Democrat-Herald*. The lawsuit is over \$100 million. PepsiCo tendered an offer of a compromise for \$12 million, which the Council did not accept. The next phase is depositions. Hare has some hope and confidence that the suit will be settled short of going to trial, but there is no guarantee of that.

Nyquist said that in his eight years as a Commissioner, there have been good and bad days. The two worst days were when PepsiCo announced the delay of the project and when they announced they weren't coming at all. Nyquist said he knows \$12 million is a lot of money, and the Council and community are well represented in this endeavor. Based on the representations that have been made to him, \$12 million is less than 1/10 of one percent of the economic impact that this facility would have brought to the City and to Linn County. These representations were made to him in writing, which he forwarded to the appropriate parties. Nyquist said he trusts the Council will do what is in the City's best interest. Lawsuits are not pleasant, but he thinks the Council is on the right track and he supports their pursuit of what is fair for the citizens of Albany and Linn County. The agreement from the onset was about jobs for the City and the County. He identified two issues: arriving at a fair settlement and then how long the line might be for the money if the City prevails. Nyquist said, before the line starts, consider that this was about jobs and to the extent that the Council can, make sure that there are ample resources in the settlement for economic development.

Hare thanked Linn County for being a supportive partner. The City and County worked together as a team.

Reid said, regarding the lawsuit, nothing has been guaranteed and the Council has not designated uses for the money yet. Once it is settled, then the Council will decide what to do with the money to better the community. There is no agenda at this point for the distribution of funds.

*Funding of Fair/Expo marketing position*

Tucker distributed a letter on behalf of the Linn County Fair & Expo Center (see agenda file). He explained that he has wondered about the sustainability of the Expo Center in the past as a Linn County Budget Committee member. He was recently given responsibility for the Fair/Expo Center as a Commissioner. Developing the fairgrounds in a community is the right thing to do, yet at the same time the facility does not run at capacity so it requires General Fund money. The Expo Center wants to grow and bring in big events. These events also draw in shoppers excited to spend their money in Oregon because there is no sales tax. He asked, will the City consider helping to fund a marketing position for the Expo Center? There are more possibilities to explore and with reinvigorated leadership Tucker hopes that they can identify ways to improve facility utilization. They bought new software for booking events to better respond to resources, but they still need help with funding. Tucker has studied transient room tax revenues and how it has been spent. He suggested the Council consider giving support to market the Expo Center with those revenues.

Coburn asked, is there a duplication of marketing services with the Albany Downtown Association (ADA), Albany Visitors Association (AVA), and the Expo Center? There should be one marketing program for these.

Hare explained that the AVA approached the City two years ago and requested \$ 97,000 from excess transient room taxes for a marketing position. That allocation is in the budget again this year. It would be a good discussion to have with the AVA about the extent they are marketing the Expo Center. Tucker said, it would be interesting to see what they have done to attract dog, gun, and horse shows. He surmised they market to attract vacationers as opposed to specific 2-4 day long events. There is a difference between objective marketing in venues such as Sunset magazine and marketing to organizers of conventions and events.

Hare said the AVA's request was led by a motel owner and part of their state goal was to attract the types of events Tucker referred to. In fact, Hare heard from them that the Expo Center has had great success in attracting events.

Collins said that \$150,000 was requested from Albany Revitalization Area (ARA) to increase downtown marketing. However, the ARA did not support it. There could be some overlap of priorities, but the discussion should take place especially given the current financial situation.

Reid said that 6-7 years ago the Expo Center was asked to submit a proposal for providing marketing services through transient funds at the same time the AVA presented a request, to see which organization could better meet the needs. The Expo Center did not give a full proposal at that time. If there has been a change since then, perhaps it should be revisited. He cautioned that every month so far this year, transient room tax revenues have been down compared to previous years.

Nyquist said there were past issues with the AVA and Expo Center staff due in part to their different agendas. The AVA's goal is to generate revenue by filling hotel rooms, and the Expo Center's goal is to book events to fill the gap between revenues and facility costs. With the change in leadership and economics however, it warrants a fresh look.

Nyquist said the hospitality industry as a whole is having a difficult time, though Albany seems to be doing better than most. He cautioned against spending urban renewal revenues on business marketing.

Tucker said the Expo Center requires about \$300,000 from the General Fund annually, down from \$500,000. They would like to utilize the facility during the weekdays that precede and follow large weekend events. It is also critical that the types of events that run concurrently are compatible. Mid-week uses include football teams, Farmer's Markets, etc. There are events about 89 percent of the weekends.

Reid suggested that Linn County put in a request to Finance Director Stewart Taylor for funding the Expo Center marketing position.

Olsen arrived at 4:35 p.m.

Olsen said he attends the old car swap meet at the Expo Center. He usually has to park in the overflow parking at Timber Linn Park, in the area where the YMCA is going to be built. He asked if the Expo Center has gotten complaints about parking. Tucker said they do get some complaints, but they are working with City staff to reconcile parking issues. He commented that since Linn County did not participate in the public hearing about the YMCA they would not complain at this late date anyway, unless they are prepared to contribute financially to the redesign of the project.

Collins said if parking does become an issue, there are other creative ways to mitigate it. Christman agreed. Tucker commented that the Expo Center would eventually have to address parking, independent of the YMCA location, because they plan to grow the shows and increase usership of the facility.

*Animal Control*

Hare gave a history of why the dog limit exemption process was started. It has become apparent that the new process is not working. The Council set a moratorium on the enforcement of more than two dogs while a task force deliberates. City staff would like to discuss dog control as a whole with Linn County. Linn County has the statutory

requirement to deal with dogs, but the City feels obligated to fill the gaps for our citizens. Dog census data shows there is an explosion in the number of animals compared to 20 years ago.

Smith said that the dogs at the Linn County pound are not licensed. If they were that would be more revenue to expand the pound. Currently the pound is the same size with three fewer staff, yet the populations of people and dogs have grown. Starting in 1995 Linn County contributed \$10,000 to the City to compensate for dog control, but after eleven years the intergovernmental agreement (IGA) was terminated because the County said they could not afford it anymore.

Tucker said he asked Linn County's Counsel what the law requires the County to do. He was advised that the County can choose how to apply ORS Chapter 609 and the City is free to supersede any County ordinance. The fact that the County is collecting licensing fees for those inside the City without an agreement, and that the County is housing some dogs sometimes, without an agreement, is something Tucker is not comfortable with. From his perspective, establishing a new IGA would be helpful.

Hare said that if the City had the authority to enforce Linn County's licensing requirements inside the city limits, then an Albany Police officer investigating a dog complaint in Linn County would have the ability to issue a citation for no license.

Tucker said, this is an issue nationwide. They are trying to get the Humane Society to actually license the dogs as part of their adoption process.

Olsen said the state of Oregon is contemplating legislation to address irresponsible puppy mills. He asked if the City or County would consider supporting the legislation.

Olsen thinks limiting the number of dogs is counterproductive.

The Linn County Commissioners and the Albany City Council agreed to work together.

Councilor Bessie Johnson arrived at 5:13 p.m.

#### *Linn County Budget outlook*

Tucker said the County anticipates a \$4.5 million shortfall. They won't have a solid budget until after the state's May forecast. The result could be some reduction in County services that will affect City residents. They do not have plans to create additional tax revenue.

Hare described the City's budget position. He said, the City has fairly robust reserves but we are eating into this year's and next year's. It is projected that the 2009-10 year will end with a ten percent reserve, which of course is not sustainable. The Building Inspection Division is already in serious trouble due to the drop in construction. Two years ago the Division's budget was \$2.5 million and now, it is \$800,000. The City does not anticipate layoffs with the exception of possible layoffs in the Building Division. A larger concern is that we will see a decrease in property tax collection.

Tucker said, the Assessor's Office experienced an increase in property owners paying taxes in full in order to get a three percent discount.

Hare said, in the year ahead the City will have to prioritize our service levels. The revenues we are getting will not support the current array of services we provide.

Reid said the Linn-Benton Loop bus is considering cutting back on Saturday services. This is a last resort because it is difficult to get a service back once it has been cut.

Tucker said the housing market in the Lebanon area has been hit the hardest. They have lots of inventory and the value could drop dramatically.

#### *Linn County ten-year plan to end homelessness*

Nyquist said Community Consortium Services (CCS) got a grant to put together a ten-year plan to end homelessness. Many grant questionnaires ask if the agency making the request has a plan in place, so having this advocacy group get the funding was a major goal and also having a plan meets federal requirements. In addition to the traditional homeless community, Nyquist is concerned about homelessness through job loss or high debt in this struggling economy. The focus will be to get the homeless housing first. For those with addictions, the plan will get them help and retrain them how to function in society. Nyquist said that Mayor Konopa was right in articulating that we do not need more homeless shelters; we need to get homeless people in homes. The City will be getting a copy of the plan in the next 30 days.

Smith said that Lincoln County has received many grants as a result of having a ten-year plan.

Nyquist is concerned that the Corvallis shelter has closed down and those folks have moved to the river bank or to Helping Hands in Albany.

Smith said May 22 will be the formal roll-out of the plan at the third annual HEART and CSC Resource Fair. They are expecting 300 this year. It will be at the Albany Boys and Girls Club and lunch will be served.

Johnson thinks we should be a catalyst and provide housing for folks who are working but need transitional housing, rather than providing homes for those who are chronically homeless.

Hare gave an update on the City's loans to Helping Hands. They are making interest payments only on \$150,000.

Smith reported that representatives from the local health care, mental health, faith, and government communities met with the Helping Hands board and staff about a year ago and were fairly successful. The goal was to create a more professional board and more clearly outline guiding principles. Pastor Bailey is retiring so the group is reconvening to reassess and ensure the improvements continue. Smith said many improvements are a direct result of these meetings.

Collins left the meeting at 5:45 p.m.

#### BUSINESS FROM THE COUNCIL AND THE BOARD

Tucker said the owner of Ping's Restaurant is concerned about the cost of the future Oak Street Local Improvement District (LID).

Hare said he met with Lowe's today, and a work session has been scheduled for April to discuss traffic issues surrounding the development of the property. Discussion followed.

Nyquist said the Linn County Extension District was passed by the voters for a rate not to exceed 7 cents per 1,000 with oversight from the County. The District has requested approval from the County for 4.7 cents. This would result in revenue that is twice what they received from the County's General Fund last year and would allow them to add back one position.

Wyatt described the County's previous funding of the Extension Service. This new levy will show up on property taxes for the first time next fall. Wyatt asked, as a governing body and as taxpayers who will be impacted by compression, what is the City's opinion of the proposed 4.7 cents rate? Discussion followed regarding future levels of City services.

Johnson supports the rate of 4.7 cents since it falls within the range of what voters approved. Coburn agreed.

Hare noted that this levy could impact the Public Safety Levy, but it should be less than \$10,000.

Christman suggested comparing the request to the previous budget to see if it is a reasonable increase. He pointed out that most budgets are decreasing so perhaps any increase in this economic crisis could be deemed unreasonable.

Tucker agreed that the County would review their budget and evaluate if 4.7 cents seems reasonable. The City Council had general consensus.

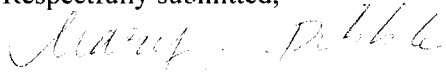
Olsen asked, what does it cost to house prisoners in the Linn County jail? Nyquist said it is about \$65 per day for an empty bed and \$85-90 per day for an occupied bed. The annual cost is about \$40-50,000 per year, per inmate. The rates for juvenile beds are much higher. Medical costs and parole and probation also drive costs. Tucker added that the Drug Court seems to be having some success and that helps to reduce costs.

Nyquist commented that the County is supportive of the City's resistance to closed rail crossings. Hare said Nyquist's support is appreciated. They are waiting to see exactly what the plan is.

#### ADJOURNMENT

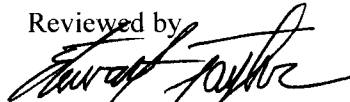
There being no other business, the Work Session adjourned at 6:14 p.m.

Respectfully submitted,



Mary A. Dibble, MMC  
Deputy City Clerk

Reviewed by



Stewart Taylor  
Finance Director