

CITY OF ALBANY
CITY COUNCIL (WORK SESSION)
Municipal Court Room
Monday, August 17, 2009
4:00 p.m.

MINUTES

CALL TO ORDER

Mayor Sharon Konopa called the meeting to order at 4:07 p.m.

ROLL CALL

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

Councilors absent: Councilor Floyd Collins.

BUSINESS FROM THE PUBLIC

There was no business from the public.

ANNUAL REVIEW OF FINANCIAL POLICIES

Finance Director Stewart Taylor explained that there are three policies staff brings to the Council for annual approval: the Financial, Investment, and Risk Management policies. The combination of the three policies establishes the tone for finances in the City and all three are included in the adopted budget.

The Financial policy was last reviewed in January 2009. Taylor is asking for approval of a revised policy which incorporates adjustments that were brought about by an internal petty cash audit. The policy is scheduled for adoption at the August 26, 2009, City Council meeting.

Taylor described the five recommended changes:

- A provision has been added to the expenditure section encouraging the use of internal service charges and project accounting to identify and fairly allocate the full cost of services.
- A provision has been added to the debt section requiring that strategies be implemented to fund debt obligations from current revenues.
- A provision has been added to the grant section stating the current requirement for community grant recipients to submit a report to the City. A third-party audit requirement is added for recipients that receive greater than \$100,000.
- Grants received on an annual basis will be included in the budget process and do not require further action by the City Council once the budget is adopted. The City Manager is given responsibility to oversee grant applications not included in the budget process.
- A provision has been added to the accounting, auditing, and financial reporting section giving the Finance Department responsibility to conduct periodic internal audits of financial procedures and to oversee petty cash, purchase cards, and other purchasing procedures.

Taylor is also seeking certification that would allow indirect costs to be charged in federally funded projects. It seems that Community Development Block Grant (CDBG) funds through Housing and Urban Development (HUD) may be the agency that would receive Albany's application. The certification would apply to other agencies as well. Taylor is following up to make sure the information is correct and is also following up with auditors to complete the application. The application addresses services and methodology and how indirect costs are captured.

Konopa is concerned about the requirement for non-profits receiving \$100,000 or more to have an audit when such audits can be very costly in her experience. She asked, could we change the policy to allow a third party to conduct a financial review, instead of paying for an auditor? Taylor said it was not the intent of staff to create a burden but rather to have accountability for taxpayer money. Taylor will ask the City's auditing service the cost for an engagement for this purpose. Using the City's vendor could provide the City with control over the scope of the audit. Taylor said the cost for the audit would likely come out of the grant proceeds.

Konopa asked if there are staff guidelines to measure the amount of time staff should spend pursuing small grants. Hare said no, but staff does make that judgment and at times will pass up a grant based on the inequity of resources in comparison to the amount of the grant. He agrees that there are times the cost to administer a program does not warrant the grant amount, though it would be difficult to have a firm set of criteria given the variety and complexity of grants. He recommends that staff continue to make the analysis.

Councilor Ralph Reid supports the new process of including annual grants in the budget process rather than asking the Council for their approval, however he would still like to be notified when the City makes the application. He wants staff to keep the Council informed.

Taylor noted that at the August 26, 2009, City Council meeting, the Council will consider a resolution to repeal the resolution establishing amounts and locations of petty cash.

CITY MANAGER PERFORMANCE EVALUATION

Konopa said that Hare's City Manager's Performance Evaluation summary looked positive, without any negative comments.

There were six documents for this discussion: City Manager Evaluation Summary, City Manager Job Description, City Manager Salary Survey, City Manager Employment Agreement, City of Albany memo dated August 17, 2009, and the City Manager Self-Evaluation Form (see agenda file).

Hare said he appreciated the comments from the Councilors regarding his review. There were good suggestions he will consider. He has seen over his career the importance of communication and how to do it effectively. He tries to build into place systems for good communication, open door policies, electronic communication, the old fashioned telephone call, and even visit face to face contacts. He said, communication is an area he is always working on.

Councilor Dick Olsen said, he appreciates Hare and he enjoys serving on this Council. Hare said Olsen's comment reflects on the Council as a whole. It would be easy to slip into unproductive battles when there is a difference of opinion, but Hare appreciates that the Councilors have a genuine respect for each other. It makes his job and that of his staff easier. Staff is not afraid to bring a difficult issue to the Council.

Councilor Bessie Johnson appreciates how Hare works well with the diverse personalities of the Councilors. She believes they made the right decision when they hired him.

Reid asked Hare to pass on to City staff that he wants all his City documents electronically, on thumb drives, rather than on paper. Hare said staff will do their best to accommodate all the different communication preferences of the Council.

Hare said he did not accept a cost-of-living-accrual (COLA) increase in July, because he thought it important to forgo his COLA in the same manner that he imposed it on the non-bargaining employees. At this time he is not asking for a COLA or a step increase. Given the economic conditions and the sacrifices other employees have made, he prefers that his salary remain the same. Staff will be reviewing the City's financial condition in January, and will consider giving the non-bargainers the COLA they did not get in July.

Reid would like an annual report on Hare's personal development training. Hare said the cornerstone of his professional development is International City Manager Association (ICMA). In 2002 ICMA offered a credential for local government and he was one of first to get that certification following the completion of a test. He completes 40 hours of training per year to maintain the certification by attending ICMA conferences and half-day university courses. Hare also attends one or both of the regional City Manager associations in Washington and Alaska, though this year he did not, due to the budget. He also receives credit for his international development work, completed on his personal vacations. Hare is also in the ICMA mentor/mentee program and serves on the ICMA International Committee.

COUNCILOR COMMENTS

Johnson attended the bicycle races held in downtown Albany on Sunday. She said the event was very exciting.

Councilor Jeff Christman will not be able to attend the employee picnic on Thursday. The picnic is paid by private employee donations.

Councilor Bill Coburn said he heard that Lowe's stock dropped 10 percent and they have scaled back on building expansion. Coburn talked to a contractor that does a lot of work for Lowe's, and was told that right now they are having a conflict with a carpenter's union in Oregon. Coburn wonders how that will impact the pending project in Albany. Hare said that Lowe's is waiting on ODOT approval. Hare said the two parties may not meet again until he can get them both in the same room, at the same time. As far as Hare knows, the Lowe's project should eventually move forward.

The Councilors discussed the faulty air conditioning in the Council Chambers. Staff explained that the City has applied for an energy trust grant from the federal stimulus money, part of which will be used to rectify the HVAC system at City Hall. Discussion followed.

Reid said that Roger Hawthorne contacted him about an ongoing problem. Hare explained staff is aware of the situation. It is an ordinance violation that is scheduled for Municipal Court.

Reid said the pilots reported to him that they are not being allowed to conduct some of their annual events at the Albany Municipal Airport during the NW Arts & Air Festival this year. A private vendor will be providing the breakfast event, and the flour bombing and helicopter rides have been discontinued because the City's general liability insurance underwriter will not cover that risk. Discussion followed.

Albany City Council Work Session
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Konopa toured the Olivetti Building remodel. It is very nice inside. The owner hopes to open September 15. Also the Bamboo Diner should open in a month. Discussion followed about the mural on the side of the building that used to house Wyatt's Restaurant.

CITY MANAGER REPORT

Hare described an accidental shut-off of water to two hotels in the Knox Butte area. The water issue was resolved and Hare talked to both hotel owners personally.

CITY MANAGER REPORT

The City Manager had no report.

ADJOURNMENT

There being no other business, the Work Session adjourned at 5:38 p.m.

Respectfully submitted,

Mary A. Dibble, MMC
Deputy City Clerk

Reviewed by,

Stewart Taylor
Finance Director

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