

CITY OF ALBANY
CITY COUNCIL
Council Chambers
Wednesday, April 28, 2010
7:15 p.m.

MINUTES

CALL TO ORDER

Mayor Konopa called the meeting to order at 7:15 p.m.

PLEDGE OF ALLEGIANCE TO THE FLAG

Konopa led the pledge of allegiance to the flag.

ROLL CALL

Councilors present: Jeff Christman, Ralph Reid, Jr., Dick Olsen, Bill Coburn, and Bessie Johnson
Councilors absent: Councilor Collins (excused)

PROCLAMATIONS

Older Americans Month.

Konopa read a proclamation declaring May 2010 Older Americans Month.

National Salvation Army Week.

This proclamation was pulled from the agenda and will be read at a later date.

SCHEDULED BUSINESS

Communication

Receiving a noise variance request from the Oregon Department of Transportation (ODOT).

Amy Ramsdell, 3700 Philomath Blvd, Corvallis, representing ODOT, explained that they would be working on the highway from Corvallis to Albany. The work would include grinding and the use of heavy equipment. Construction can start anytime in April through October 2011. They would also be installing some guardrails. They chose to submit their requests early in order to have a more flexible schedule.

City Manager Wes Hare asked if Ramsdell could estimate what the decibel levels would be. Ramsdell said she wasn't qualified to give an estimate.

City Attorney Jim Delapoer believes that no permit is required. As he understands the City ordinance regarding noise, it is referring to the building of a structure only.

The Council directed staff to review the request and return if any permits are necessary.

Business from the Public

None

Adoption of Consent Calendar

- 1) Approval of Minutes
 - a) March 10, 2010, Regular Session.
 - b) April 14, 2010, Regular Session.

MOTION: Councilor Johnson moved to adopt the Consent Calendar as presented. Councilor Reid seconded the motion and it passed 5-0.

Appointments

Airport Advisory Commission.

MOTION: Reid moved to approve the following appointees to the Airport Advisory Commission:

<u>Appointee</u>	<u>Term Expiration</u>	<u>Nominated by</u>
John Pascone	December 31, 2010	Mayor Konopa
Ron Terhaar	December 31, 2010	Councilor Olsen
Heath Kasper	December 31, 2010	Councilor Reid
Pat Eastman	December 31, 2010	Councilor Johnson
Dennis Smith	December 31, 2011	Councilor Collins
Jerry Wilken	December 31, 2011	Councilor Coburn
John Harshberger, Sr.	December 31, 2011	Councilor Christman

Councilor Christman seconded the motion and it passed 5-0.

Reports

Receiving Code Enforcement Team Third Quarter Report for Fiscal Year 2009-2010.

Management Assistant/Public Information Officer Marilyn Smith explained that the way junk citations are issued was changed about a year ago, allowing a faster resolution to many of the issues on the report. She said Community Clean Up day is scheduled for May 15. Staff has targeted a specific neighborhood to have volunteers clean. This year the City is charging the neighborhood a nominal fee of \$2.00 per load for using the dumpsters. Smith said the running cost for the team looks impressive but most employee costs are paid from the General Fund.

There followed Council discussion regarding specific locations on the report.

Councilor Olsen was concerned that other citizens may want to participate in dumping garbage and would not be able to afford the \$2.00 charge.

Receiving debt defeasance options report.

Finance Director Stewart Taylor explained that it was important for the Council to become familiar with the defeasance concept. He introduced Jonas Biery, the City's Financial Advisor with Seattle Northwest Securities.

Biery said he would be explaining defeasance options the City has with the callable bond debt it is currently carrying. He provided a PowerPoint presentation to the Council (in agenda file).

Biery said that defeasance is a legal process whereby callable bonds are funded through an escrow account. The payment of the bonds at the call date is no longer the obligation of the City but rather would be the obligation of the escrow agent. Some benefits include interest savings, removal of debt obligations, and improved cash flow. He included four examples, emphasizing the benefits realized from the Series 2002B Pension Obligations (Option 1) and Series 2004 Revenue Obligations (Option 4).

Hare mentioned that when the Council thinks about using the Pepsi dollars, staff wanted to have this information available to consider as an option. Defeasance can provide a very high rate of return, which translates to taxpayer savings.

Christman said one of the examples in the report was paying off the water bonds, with a \$500,000 annual savings. He asked, would this reduce citizens' water payments? Public Works Director Diane Taniguchi-Dennis said it might result in a lesser increase for water rates. But, mostly it would free up funding for water pipe repairs or it could be put into a capital account. If used for capital, it would be a one to one correlation. For every dollar saved there would be a dollar available.

BUSINESS FROM THE COUNCIL

Councilor Coburn asked, when will the Lowes project be coming back to the Council? Hare said it is scheduled for Wednesday, May 12. Hare said that Lowes had asked that the staff memo go to them for review before going to the Council. Hare told them no, the Council gets it first.

Hare told the Council that there is a Community Video Program that has a website link to private videos promoting the City of Albany. The videos are financed by selling advertising to businesses in Albany. Initially, a few years ago, there was an aggressive marketing campaign to get businesses to advertise on the site by the video company, and his office did receive some complaints. The company has approached the City and proposed to do a newer version of the videos. Although they have done a very professional job, if the City were to agree, there is the risk of insulting some businesses in town. After discussion the Council decided to look at the videos and get back to staff.

RECESS TO EXECUTIVE SESSION TO DISCUSS PENDING LITIGATION OR LITIGATION LIKELY TO BE FILED IN ACCORDANCE WITH ORS 192.660 (2) (h)

The Regular Session was recessed into an Executive Session at 8:27 p.m.

RECONVENE

The Regular Session was reconvened at 9:00 p.m.

The Council chose to deliberate in open session regarding the \$33,000 in arrears (22 months) of rent currently owed to the City by Reliant Aviation at the Albany Airport.

Olsen asked, how does a Fixed Base Operator (FBO) make money at the Albany Airport? Hare said by repairing planes, giving rides, etc. Olsen said the City didn't get any other bids to be the FBO when they went out to bid in the past. He doesn't want to terminate Reliant's lease, no matter how much they owe, until staff can investigate more about the circumstances surrounding the debt.

Reid asked, how long do you want the investigation to continue? Olsen said at least a month. Reid said if the current FBO wasn't there, maybe Albany would get other bids.

Christman objects to allowing anymore time. He doesn't believe the FBO is in arrears because of the economic times. They haven't been able to pay their rent on a regular basis since 1986. The 1990s were boom times and they still weren't able to pay. The Council needs to look at a bigger picture. What does it take to make someone profitable out there? Is there another way to do this? Talking with Reliant is not going to solve the problem. The Council needs a Work Session with the Airport Advisory Commission to discuss these concerns.

Coburn agreed. He said Reliant owing the money is one issue, the other is the bigger discussion about an FBO.

Airport Manager Chris Bailey said there is no legal requirement to have an FBO. She will bring back to a Work Session the requirements of having a FBO and other options at the Albany Airport.

MAIN MOTION: Christman moved to direct staff to start legal action, including eviction, to collect \$33,000 in delinquent rent from the Fixed Base Operator (FBO) at the Albany Airport. Johnson seconded the motion.

AMENDING MOTION: Reid moved to amend the motion to have staff schedule a Work Session wherein the Council would invite the Airport Advisory Commission to participate in discussions concerning the FBO contract. Johnson seconded the motion and it passed 5-0.

Coburn asked if the past rent could be collected without eviction. Delapoer said they could be separate items. He explained the collection process and options the City has.

The Council discussed the eviction process and if it should be included in the motion.

VOTE ON MAIN MOTION: The vote on the main motion failed 3-2, with Olsen and Coburn voting no.

Hare explained that there was no majority vote for the legal action in the motion but if the Council would like to do something about the problem, another motion would be appropriate.

MOTION: Christman moved to have staff start legal action to collect the \$33,000 in delinquent rent from the FBO at the Albany Airport. Coburn seconded the motion.

Delapoer explained that the legal action process would involve sending a letter asking the FBO to pay the monies in arrears within a 10 day time period and if he wasn't able to do that, the City would go to court.

VOTE ON MOTION: A vote was taken on the motion and it passed 4-1, with Olsen voting no.

Johnson mentioned that she would prefer not to see a new lease for Reliant come back to the Council right now. Delapoer said staff would not be negotiating a new lease.

MOTION: Christman moved to set a Work Session as soon as possible with the Council and the Airport Advisory Commission. Coburn seconded the motion and it passed 5-0.

NEXT MEETING DATE

The next City Council Work Session is scheduled for Monday, May 10, 2010, at 4:00 p.m., in the Albany Municipal Court Room, in City Hall. The next Council Regular Session is scheduled for Wednesday, May 12, 2010, at 7:15 p.m., in the City Council Chambers, in City Hall.

ADJOURNMENT

There being no other business, the meeting was adjourned at 9:32 p.m.

Respectfully submitted by,

Betty Langwell, MMC
City Clerk

Reviewed by,

Stewart Taylor
Finance Director