



NOTICE OF PUBLIC MEETING
CITY OF ALBANY
CITY COUNCIL
Council Chambers
333 Broadalbin Street SW
Wednesday, December 15, 2010
7:15 p.m.

OUR MISSION IS

*"Providing quality public services
for a better Albany community."*

OUR VISION IS

*"A vital and diversified community
that promotes a high quality of life,
great neighborhoods, balanced
economic growth, and quality public
services."*

AGENDA

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE TO THE FLAG
3. ROLL CALL
4. SPECIAL PRESENTATION
 - a. Historic Albany Recovery Program. [Pages 1-2]
Action: _____
5. SCHEDULED BUSINESS
 - a. Business from the Public
 - b. Adoption of Consent Calendar
 - 1) Approval of Minutes
 - a) November 10, 2010, City Council Regular Session. [Pages 3-6]
 - b) December 1, 2010, City Council Joint Meeting with Greater Albany Public School Board. [Pages 7-10]
 - 2) Adopting Financial Policies. [Pages 11-16] RES. NO. _____

Action: _____

 - c. Report
 - 1) HEART report. [Pages 17-18]
Action: _____
6. BUSINESS FROM THE COUNCIL
7. NEXT MEETING DATE: Regular Session January 12, 2011
Work Session January 24, 2011
8. ADJOURNMENT

City of Albany Web site: www.cityofalbany.net

The location of the meeting/hearing is accessible to the disabled. If you have a disability that requires accommodation, please notify the Human Resources Department in advance by calling (541) 917-7500.



TO: Albany City Council
VIA: Wes Hare, City Manager
FROM: Kate Porsche, Urban Renewal Manager *(Kate)*
DATE: December 9, 2010, for the December 15, 2010, City Council Meeting
SUBJECT: Historic Albany Recovery Program (HARP)

RELATES TO STRATEGIC PLAN THEME: ● A Healthy Economy

RELATES TO:

- Goal 1: Build and maintain a healthy economy.
- Goal 2: Create a readily identifiable downtown core that is unique and vibrant with a mixture of entertainment, housing, specialty shops, offices, and other commercial uses.

Action Requested:

Discussion, direction and possible funding decision.

Discussion:

Michael Waldoock will be coming before you to give his presentation on the Historic Albany Recovery Program (HARP). Michael is the former president and CEO of the large retail firm, The Body Shop. He landed in Albany and has turned his efforts, enthusiasm, and marketing and branding expertise toward thinking creatively about how we can work to rebuild our local economy.

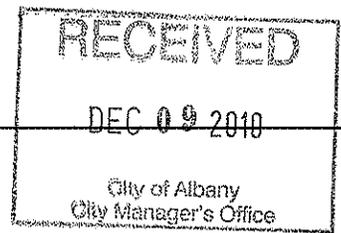
He collected his thoughts and ideas and has begun to reach out to different organizations including the Albany Downtown Association (ADA), Albany Visitor's Association, (AVA), The Brass Ring Carousel, the Albany Chamber of Commerce, and the City. Through these presentations Michael has received feedback, incorporated ideas, and created a presentation that he'd like to show to you Wednesday evening. The introduction states, "Using classic brand strategies and Look Out The Window (LOTW®) research techniques to rebuild our economy from the bottom up, while improving our GDP and schools, increasing tourism, creating jobs and becoming internationally famous in the process!"

Budget Impact:

Michael's presentation covers a lot of ground, and he's worked through many of the details, including a possible organizational and funding structure. One possibility that was floated was to use a small portion of the Economic Development funds to give the HARP program wings. Michael's approach is to minimize costs through donations and the use of interns from LBCCC, but there would still be about \$70,000 needed for funding through the end of next year. His presentation will contain more details, but I wanted to let you know that this may be coming up for your consideration.

If you choose to use the Economic Development funds, the spirit of his proposal addresses the notion of ground-up economic development through job creation and tourism and falls in the purview of economic development activities.

KCP:de:ldh



December 9, 2010
Mayor Konopa & Albany City Council
PO Box 490
Albany, OR 97321
RE: Historic Albany Recovery Plan

The Albany Downtown Association has heard Michael Waldock's presentation and we are supportive of his Historic Albany Recovery Plan (HARP). The ideas that he has are big, but they are very reachable. Michael has volunteered his time to put HARP together and is willing to continue volunteering to pilot the plan. Michael has a great deal of experience in marketing, as CEO, and president of the US subsidiary of The Body Shop. He took the company from 5 employees working out of his home to over 1,000 employees with multi-millions of dollars in sales. In 2009 he wrote a book on economic recovery called "The Main Street Manifesto." Michael now lives in North Albany and is a member of the Albany Downtown Association's Economic Development Committee.

The market study that George Crandall is starting work on is a great start for knowing what we have, what we need and who we can expect to be interested in these things. CARA has and will continue to be the funding for great things to help create a stronger Downtown. HARP is the third leg of this stool, an action plan. The ideas that Michael presents here are big, and he certainly sets some big goals in this HARP, but it has been said that big things only happen when you have the vision to go after them.

"When facing a difficult task, act as if it is impossible to fail.
When going after Moby Dick, bring along enough tartar sauce!"

-Author unknown.

Oscar B. Hult
Executive Director
Albany Downtown Association
Albany Main Street Program
Albany Park Wise Program

Celia Formiller
President
Albany Downtown Association
Albany Main Street Program
Albany Park Wise Program

Albany Downtown Association

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CITY OF ALBANY
CITY COUNCIL
Council Chambers
Wednesday, November 10, 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

Mayor Konopa led the pledge of allegiance to the flag.

ROLL CALL

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

SCHEDULED BUSINESS

Business from the Public

Suresh Prakash, 251 Airport Road SE, Manager of the Albany LaQuinta Inn, was requesting a waiver of the delinquent fees and fines that have accrued against his transient room tax account with the City. He provided a written letter (in agenda file). The economy has hit his business hard and he was not able to pay the tax by the due dates, so was charged a penalty. To date, he has paid all transient tax collected at his business.

Finance Director Stewart Taylor referred to his memo regarding the Albany LaQuinta Inn delinquency. The accumulated penalties of \$3,325.05 are still outstanding. He said that he explained to Mr. Prakash that according to the Albany Municipal Code staff cannot waive the penalties but the Council can, if a good and sufficient reason is shown. Prakash chose to ask the Council for a waiver. He agreed to make monthly payments of \$500 toward the penalty for whatever amount the Council did not waive. He also agreed to pursue segregating his room tax deposits both with Bank of America and his CPA firm, Koontz and Perdue, and to be both timely and current on future payments.

Councilor Christman asked, of the \$3,325 how much is penalties? Taylor said the entire amount is for penalties. Prakash's transient lodging tax payments are current.

Councilor Collins asked if there were other accounts that have incurred penalties. Taylor said yes, and they have paid. Collins asked, once the City accrues the 6% penalty that amount is not accrued again? Taylor said that is correct, it is not cumulative.

Councilor Reid asked if the 6% is calculated on one year or 30 days. Taylor said it is a full 6% of the late payment; a one-time charge.

Deputy City Attorney Andy Noonan said the ordinance says it is one half of one percent per month. It doesn't accrue interest on interest.

Although City Manager Wes Hare recommended the Council consider a waiver or reduction of the fees, he believes there needs to be a clear message that there are penalties for not paying and suggested leaving some in place.

Noonan added that the way the ordinance is written, the waiver is a political decision.

Councilor Johnson was confused about the charges. She asked is it a 6% flat fee or is it half of 1% per month? There followed discussion regarding interest and how it is calculated.

Taylor said that with the description of the penalty percent that the Deputy City Attorney has given, it would seem that the charges presented are too high.

DIRECTION: The Council asked staff to rework the penalties amount and check Audit Committee minutes regarding transient room tax, since that Committee had lengthy discussions regarding the subject.

Johnson mentioned that she is not in favor of decreasing their penalties. She would be in favor of a payment plan.

Adoption of Consent Calendar

- 1) Approval of Minutes
 - a) August 25, 2010, City Council Regular Session

b) October 13, 2010, City Council Regular Session

MOTION: Collins moved to adopt the Consent Calendar as presented. Reid seconded the motion and it passed 6-0.

Reports

Water and sewer revenue, fixed versus consumption charge comparison.

Senior Accountant Jeff Babbitt said the Council requested information on the percentage of revenue the City receives from water and sewer service fixed (meter) charges versus consumption charges. He said that staff reviewed the revenue received for the last fiscal year from July 1, 2009, to June 30, 2010, to provide the statistics in the agenda. Babbitt reviewed the Water and Sewer Fund including a table in the agenda memo showing the total revenue received and where it was distributed within the funds for Fiscal Year 2010.

Christman said, in both (water and sewer) funds, the fixed charges are not covering the fixed expenses.

Public Works Director Diane Taniguchi-Dennis said they are tracking that as a financial indicator.

Collins said it meets the objective of the Water Task Force.

Councilor Olsen said he has noticed brown lawns this summer and thinks it is because residents can't afford the water bill. He asked, is it possible to drop the rate after a homeowner reaches a certain level of use? Is the City having any problems with producing water?

Taniguchi-Dennis said the City does have a "reverted block rate" in place for water. In answer to the second question, the City has plenty of water capacity.

Reid commented that the water revolving funds used for the facilities require that the City have a water conservation plan in place.

Financing plan for litigation settlement proceeds.

Taylor explained that per Council direction, staff has produced a financing plan for uses of the PepsiCo litigation settlement proceeds that would include public safety facilities and economic development. The proposed plan in the agenda includes the additional projects along with the projects previously approved by the Council. All of the projects and funding in the plan would be completed over ten years.

Christman said he wanted to clarify his position because he was the one that asked for the information. He was surprised that it took the form of a proposal because that was not his intent. But, it is what he asked for.

Collins asked, regarding the potential \$4,100,000 internal loan for the Local Improvement Districts (LID), what's the timing of the need for that funding? Taylor said several months ago the Council established the assessments for the Timber Ridge North LID project with a resolution. The school district actually provided the funds for the construction of the LID North project. The school district was then reimbursed for the costs above their assessment. The funds used to reimburse the school district were provided through an internal loan from the Water and Sewer capital Project funds. When the Council adopted that internal loan it had language in the resolution that the loan would be paid back during the current fiscal year, which will end June 30, 2011. The construction phase for the South LID, which is largely completed at this point, was also included in the resolution. If the Council chose not to fund the loan with Pepsi proceeds, then the City would seek private financing.

Collins asked, if the Council chose to allocate \$4,100,000 for the internal loans, could the City process that within the next month or two, reimburse the loans that are outstanding to the existing short-term financing funds, and this fund would start to accrue interest? Taylor said yes, and added that staff anticipates the final balance for the Timber Ridge South project will come to the Council in January.

Collins said the Council received staff reports a couple of weeks ago relative to the need for both a Fire and a Police facility. He sees the need for both facilities and the Council should revisit that in the future. In addition the letter the Council received from Linn County has taken two options off of the table; the possibility of the County buying the current Police facility and the possibility of a joint facility any time soon. He is in favor of the \$4.1 million for the internal loans for the LIDs, and believes the settlement money was based on economic development, and there is still a need for future public safety facilities. Collins said he is prepared to allocate the settlement money to categories previously identified by Christman, with some consideration for future information to be brought back to the Council on specifics. He provided his distribution by categories:

\$4,100,000 for internal loans.

\$5,000,000 for economic development.

Balance of money, including interest to date, to a building reserve for public safety facilities.

Collins' plan would also ask the City Manager to proceed to the next level of detailed analysis to evaluate the alternatives for Police and the Fire stations relative to sizing, location, finalizing cost estimates and the internal priorities of those facilities, in addition to taking a look at additional funding sources that may be necessary to get to a capital budget.

Konopa mentioned, regarding the Commissioners letter, that they haven't been part of the settlement discussions. It is up to this Council as to how the money is spent. PepsiCo never said a word about economic development.

Johnson feels they should go ahead with the Police and Fire stations. If it is postponed to the future, it will be more expensive. One of the concerns is the location of the Fire Department and that will take time to work out. But, she believes they should go forward with the Police Station.

Olsen said that while he was campaigning he heard that people wanted the PepsiCo settlement to be used for job creation. He handed out his campaign flyer (in agenda file).

Christman thinks that everyone on the Council believes there is a need for the Police and Fire facilities. The two thoughts are to build it now or build it later. He thinks the City should loan the money to itself, stretch it over a 10-year period, and it would produce enough money for both facilities and some for economic development. That plan will allow the City not to take on more debt.

Konopa spoke to the needs at the police facility right now. With overcrowding, there is around \$3-4 million of renovations needed. Immediate needs will cost around \$500,000.

Councilor Coburn was concerned that the taxpayers will say no regarding any financing for a Police or Fire station down the road, recalling that the City had funds available with the PepsiCo proceeds to build the facilities.

There followed discussion regarding the timeline needed for Police and Fire facilities.

Collins said when the Council refines the process the costs will become more specific. If nobody comes to town within the next three years, the Council can reallocate the \$5,000,000 for Economic Development. He said he wanted to address long term needs rather than designating an amount.

Konopa felt that staff would be unable to move forward in any way without some money allocated to cover expenses.

Collins doesn't agree. He believes that staff needs to give more specifics before being allocated any funding for Police and Fire facilities. He wants them to define the needs of sizing and location that would give the Council cost estimates.

Chief Ed Boyd mentioned that the needs and specifics were done eight years ago and a facility for 30,000 square feet could have been built then for \$5.5 million. Eight years later it is going to be around \$7.5-8.5 million for the same facility. If the City waits another five to eight years that same 30,000 square foot building is going to be around \$10-11 million.

Taylor clarified the proposed staff plan regarding there being enough money for Police and Fire facilities. In 2014 there would be enough and with an internal loan to be paid back within 10 years, the money would be there.

Coburn said construction costs are low right now; that is an advantage. Construction jobs are an economic boost to the community.

There followed a discussion regarding economic development.

Konopa mentioned that the Council of Governments (COG) has recently finalized and adopted the regional economic development plan. There are a lot of tools available in the plan. Konopa said she would get copies for the Council. She mentioned that the Council does have \$500,000 in the water fund for economic development and Central Albany Revitalization Agency dollars are available for economic development in the downtown area. Also, if the Council is considering forming an Urban Renewal District where the former Pepsi plant was going to go in, that would be an economic development incentive. There are a lot of tools that are already out there.

Collins gave his own experience in another city with economic development saying that he had met with international companies considering coming to the community. Whenever a major or middle sized business is considering coming to a community there is always obstacles. If staff or members of the Council are there to provide solutions and alternatives for removing a barrier, it sends a message that the community is open for business. Major companies did locate in that city because the city would step to the plate and deal with permit fees, SDCs, infrastructure extension, or other things we didn't know about like dealing with the state and assisting with getting something through the state. The comments they received were that the

companies would rather deal with them because of what they were willing to bring to the table. What is that in an economic development definition? He would be inclined to believe it would be a company that could provide jobs of a certain size and capital structures that would add to the tax rolls. The Council would have the opportunity to develop those criteria. He believes his suggestion gives the Council a reserve account to provide the flexibility needed to break down the barriers in bringing new jobs to the community.

Hare said the attractiveness of Collins plan is that the City would be earning money rather than paying money.

MOTION: Collins moved to designate, out of the remaining balance of the PepsiCo settlement, \$4,100,000 for Timber Ridge North and Timber Ridge South LID loans, \$5,000,000 for Economic Development, and the balance of \$5,100,000 to Building Reserves for public safety facilities. Olsen seconded the motion.

Johnson was concerned about having to spend over \$500,000 to make the current Police facilities up to par.

VOTE: A vote was taken on the motion and it passed 4-2, with Johnson and Coburn voting no.

MOTION: Collins moved to have the City Manager provide an analysis of long range facilities for potential Police and Fire Stations including: sizing, location, cost estimates, and additional funding options. Reid seconded the motion.

Hare asked for clarification as to what the Council would want to come back; would it be a Request for Proposal or a Request for Quotes (RFQ) with some outside expertise and assistance?

Coburn thinks it is premature to do this. The previous vote just put it off for four years. Until the Council is ready to spend the money on something, he doesn't think they should spend money on consultants.

Hare clarified that staff would return to the Council with a RFQ from a firm that does facility siting needs for Police and Fire departments.

Boyd commented that they do have a report that was done eight years and he has been quoted a cost of around \$80,000 for a new detailed study.

VOTE: A vote was taken on the motion and it passed 4-2, with Johnson and Coburn voting no.

Collins would like to see information on the COG tools and other economic funding efforts that the Mayor was describing.

BUSINESS FROM THE COUNCIL

Johnson reviewed the most current Linn County tax statistics with the Council (in agenda file).

Olsen provided an article, "Economic Gardening, Is It Right for Your Community" (in agenda file) from the October 2010 *Public Management* magazine. It encourages opportunities for local businesses.

Hare said the Executive staff has worked on the *Strategic Plan*. It will be brought to a January Council session for the Council to review. He also mentioned that the Albany Public Works Department has received the American Public Works Association award for accreditation.

Taylor mentioned that, regarding the Parkash conversation, the amount of interest owed in the staff memo is correct. Interest that Noonan sited was additional interest on any penalties. He will bring back a complete report to the November 17, 2010, meeting.

NEXT MEETING DATE

The next scheduled meeting of the Council is a Work Session, on Monday, November 15, 2010, at 4:00 p.m., in the Municipal Court Room of City Hall. The next Regular Session is scheduled for Wednesday, November 17, 2010, at 7:15 p.m., in the City Council Chambers of City Hall.

ADJOURNMENT

There being no other business, the meeting was adjourned at 9:25 p.m.

Respectfully submitted by,

Reviewed by,

Betty Langwell, MMC
City Clerk

Stewart Taylor
Finance Director

APPROVED by Albany City Council: _____

APPROVED by GAPS School Board: _____

**JOINT MEETING OF GREATER ALBANY PUBLIC SCHOOLS (GAPS)
BOARD**

and

ALBANY CITY COUNCIL
Albany City Hall, Council Chambers
Wednesday, December 1, 2010
7:15 p.m.

MINUTES

CALL TO ORDER

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

PLEDGE OF ALLEGIANCE

Konopa led the pledge of allegiance to the flag.

INTRODUCTIONS

Introduction of City Council: Mayor Sharon Konopa, Councilors: Ralph Reid, Jr., Dick Olsen, and Bill Coburn

Introduction of School District 8J Board Members:
Board Chair Liisa Reid, Board Members: Bill O'Bryan and Jerry Boehme

Introduction of Staff: City Manager Wes Hare, Parks & Recreation Director Ed Hodney, Finance Director Stewart Taylor, Transportation Systems Analyst Ron Irish, Management Assistant/Public Information Officer Marilyn Smith, District Superintendent Maria Delapoer, Deputy Superintendent Steve Kunke, Director of Business and Operations Russ Allen, and Human Resources Director Randy Lary

BUSINESS FROM THE PUBLIC

No one wished to speak.

REPORTS

Deerfield Park Purchase/Timber Ridge "Community" Track

School District 8J Director of Business and Operations Russ Allen explained that the City and the District entered into an agreement that included the City contributing \$300,000 to the school in exchange for Burkhart Park and a lease on Deerfield Park. Built into the agreement was the possibility of the City being able to purchase Deerfield Park for a reduced price. Now, with the cost of constructing the track at Timber Ridge School coming in much higher than expected, the District would like the City to consider purchasing Deerfield Park. By purchasing it now, the City could take advantage of the discount on the park and allow the school district to put in an all-weather track that could be used year-round.

Parks & Recreation Director Ed Hodney said per the Council's request, staff will be bringing funding options available for the purchase to the Council at the next work session, December 6.

School District 8J Board Member Jerry Boehme mentioned that GAPS had an opportunity to build a cinder track, an all-weather track, which would have advantages and uses for the kids and the community. Everyone involved thought it would be a win/win project.

Allen mentioned that they are close to construction of the track. There is also a soccer field in the same area that they have no ability to irrigate. The additional funds will help with those costs.

Professional Learning Communities Initiative

School District 8J Superintendent Maria Delapoer provided a "Professional Learning Communities" brochure (in agenda file) for the Council and staff. She explained that the kindergarten through grade 12 program stresses continuous improvement by becoming lifelong learners. Teachers gather data, discuss and share, implement best practices, work in teams, and challenge each other and their students. The District believes it is the best use of teacher's time and allows the District to harness collective knowledge. Outside groups are providing activities for the students that they may not have had an opportunity to participate in. Since the inception of the program 250-300 students have stayed at school to participate in the activities and there is evidence that students are learning. A side benefit has been that organizations have an opportunity to interact with school staff and students.

Deputy Superintendent Steve Kunke gave a PowerPoint presentation explaining the Professional Learning Community (PLC) concept (in agenda file). The three big ideas of the PLC are:

- Focus on learning.
- Build a collaborative culture.
- Focus on results.

Each PLC is organized into a series of high-performing collaborative teams which meet on a regular basis to focus on student learning. Each team uses four questions to review data, drive reflection, identify essential learning, and develop teaching lessons and assessments, which result in improved student learning. The four questions are:

- What do we want our students to learn?
- How will we know they are learning?
- How will we respond when they don't learn?
- How will we respond when they do learn?

The process will move teachers from an isolative relationship to a collaborative one. He added that it can be done with essentially no cost.

Liisa Reid said one of the reasons the Board supported the program was because it allowed the teachers to work in teams.

City Manager Wes Hare commented that data collection, comparison to other cities, and measuring outcomes is something the City is doing as well.

Kunke said it is a cultural change for the District.

School District 8J Board Member Bill O'Bryan said business is driven on this continuous learning model. This concept is familiar to him. It is not a program but a process. He said in the past, teachers worked in isolation. This process gives them peer support and sounding boards. The School Board's responsibility is to support them in this program -- a five-year process, and to provide the resources needed and give clear expectations.

Budget Outlook for 2011-13

Hare said the City budget process will be starting soon. The Budget Committee meets in May and the budget must be adopted by the Council by June 30. The City has some positives and is in pretty good shape. We

have cut back on staffing, gone through reorganizations, instituted a voluntary separation incentive program, and implemented some layoffs. Unlike the school district, the City has not seen a reduction in our primary revenue source. What there has been a reduction in is the rate of increase in the primary revenue source; property taxes. If that changes, costs will be hard to control. Currently the City is able to maintain service levels. When explaining governmental budgeting to the general public, it is important for staff to convey that the City actually has multiple budgets, including budgets with designated funds. Hare believes the City will see continued stress for funding police and fire services and will face uncertainty regarding property taxes.

Delapoer said that schools completely rely on income tax from state allocations. The last two years have seen significant reductions and the next two years will as well. Staff is valuable, but they are the greatest expense. They are going to have to restructure.

Allen and Human Resources Director Randy Lary provided a PowerPoint presentation (in agenda file) explaining the budget ups and downs for the School District. There is very little staff can do to generate revenue. The District is dependent on state revenues. Allen explained how the State of Oregon's quarterly forecasting affects the District's budget. With income taxes down, their revenues go down. Also, a portion of the allocation formula is dependent on the number of students in the District. GAPS enrollment has gone down, which contributes to the loss of revenues. On the expenditure side 89% of their budget is spent on staff. They had a significant increase in their Public Employees Retirement System (PERS) rate as well. They are currently facing a \$7,000,000 operating deficit in FY 2011-2012. That is equivalent to 100 teachers.

Lary said collective bargaining agreements all expire this summer. The District has reached Memorandums of Agreement with the unions for a status-quo salary and benefit package. They have used this status quo base for their forecast modeling.

Liisa Reid said the School Board wants every community member to be a stakeholder in the schools. They would like this presentation out in the community.

O'Bryan said 100 teachers equals 21 cut days. The budget is more than a one-year challenge, it is ongoing. The Board and the District Administration have been asking for input. This is a community issue, not just a school issue.

Delapoer said that they, of course, would not be terminating 100 teachers. They could not function. But, there is the possibility of some layoffs as well as cut days.

Olsen asked, did all employees take the same status-quo freeze? Lary said yes. There followed discussion regarding PERS costs.

Konopa said, let the City know what it can do to help.

Delapoer said staff will be taking the presentation out again to the community when they decide what they will propose to address the issue.

Olsen asked, what is the average class size? Lary said it varies. He thinks it is 26.5, but a classroom could have up to 34 students.

Konopa asked how the schools System Development Charges were doing. Allen said they would be doing better if there were more building going on. They too have taken a dip. He reminded the Council and the Board that those collected fees can only be spent on capital projects.

BUSINESS FROM THE COUNCIL AND THE BOARD

There was none.

ADJOURN

There being no other business, the meeting was adjourned 8:45 p.m.

Respectfully submitted by,

Betty Langwell, MMC
City Clerk

Reviewed by,

Wes Hare
City Manager



TO: Albany City Council
VIA: Wes Hare, City Manager
FROM: Stewart Taylor, Finance Director *ST*
DATE: December 7, 2010, for the December 8, 2010, City Council Meeting
SUBJECT: Financial Policies

RELATES TO STRATEGIC PLAN THEME: ● Effective Government

RELATES TO: ● Continue recognition from the GFOA for excellence in budgeting and financial reporting.

Action Requested:

By resolution, rescind Resolution No. 5836 and adopt the Financial Policies.

Discussion:

The Financial Policies are reviewed by the City Council on an annual basis to establish direction for the budget process and ongoing financial operations. This year's review was conducted at a work session on December 6, 2010.

One change was made to clarify statutory limitations related specifically to general obligation debt.

Budget Impact:

The Financial Policies establish parameters for the annual budget and ongoing financial operations.

ST:md

Attachment: Resolution

RESOLUTION NO. _____

A RESOLUTION ADOPTING FINANCIAL POLICIES AND REPEALING RESOLUTION NO. 5836

WHEREAS, the Financial Policies are adopted on an annual basis to clearly define the fiscal environment for the budget process and ongoing financial operations; and

WHEREAS, the policies were last adopted by Resolution No. 5836 on August 26, 2009, following review and discussion by the City Council; and

WHEREAS, this year's review was conducted by the City Council at a work session on December 6, 2010; and

WHEREAS, the Council gave direction regarding any changes to the policies and those changes have been incorporated into the final version; and

WHEREAS, the Council now desires to adopt the Financial Polices as modified.

NOW, THEREFORE, BE IT RESOLVED that the City of Albany City Council hereby adopts Exhibit A as the Financial Policies for the City of Albany and rescinds Resolution No. 5836.

DATED AND EFFECTIVE THIS 15TH DAY OF DECEMBER, 2010.

Mayor

ATTEST:

City Clerk

	<p>City of Albany Finance Policy Policy #: F-07-08-003 Title: Financial Policies</p>	
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I. POLICY STATEMENT

It is the policy of the City of Albany to actively manage financial, operational, and budgetary affairs within established guidelines in order to maintain financial stability both now and in the future.

II. GENERAL GUIDELINES

1. The City Manager and department directors are charged with achieving the themes, goals, and objectives adopted by the City Council in the City's Strategic Plan.
2. The implementing document for the Strategic Plan is the annually adopted budget. The adopted budget establishes types and levels of services through both operating and capital budgets. The relationships between the operating and capital budgets will be explicitly recognized and incorporated into the budget process. Resources will be identified to provide designated levels of service, and maintenance or enhancement of related capital and fixed assets.
3. The City will actively measure performance and pursue process improvements to enhance productivity and maximize resources.
4. Adequate reserves will be maintained for all known liabilities, including employee leave balances and explicit post employment benefits.
5. The City will actively seek partnerships with private interests and other government agencies to achieve common policy objectives, share the costs of providing local services, and support favorable legislation at the state and federal levels.
6. The City will seek out, apply for, and effectively administer federal, state, and foundation grants-in-aid that address the City's priorities and objectives.

III. REVENUES

1. The City will actively identify and administer funding sources that create a reliable, equitable and diversified revenue stream to shelter the City from short-term fluctuations in any single revenue source and to maintain desired levels of services.
2. Revenues will be conservatively estimated in the budget process.
3. Target fund balances for operating budgets will range between 5 and 15 percent of operations.
4. The City will consider full cost recovery and comparable rates charged by other municipalities of similar size in establishing rates, fees, and charges.
5. The City will follow an aggressive policy of collecting revenues.
6. Enterprise and internal service funds are intended to be self-supporting.

IV. EXPENDITURES

1. The City will identify priority services, establish appropriate service levels, and administer the expenditure of available resources to assure fiscal stability and the effective and efficient delivery of services.

2. The City will operate on a current funding basis. Expenditures will be monitored on an ongoing basis so as not to exceed current revenues and targeted fund balances.
3. The City Manger will take immediate corrective actions if at any time during a fiscal year revised revenue and expenditure estimates project a year-end deficit. Mitigating actions may include a hiring freeze, expenditure reductions, fee increases, or use of contingencies. Actions to be avoided include expenditure deferrals into the following fiscal year, short-term loans, and use of one-time revenues to support ongoing operations.
4. Target contingencies for operating budgets will range between 5 and 15 percent of operations.
5. Internal service charges and project accounting should be used when service recipients and parameters of a project can be easily identified. The charges should be based on methodologies that fairly allocate the full cost of services. The Finance Director shall review the methodologies on a periodic basis to verify that they are consistent with federal guidelines and Oregon Local Budget Law.
6. The City Manager will undertake ongoing staff and third-party reviews of City programs to measure efficiency and effectiveness. Privatization and contracting with other governmental agencies will be evaluated as alternatives to in-house service delivery. Programs that are determined to be inefficient and/or ineffective shall be reduced in scope or eliminated.

V. CAPITAL IMPROVEMENT PROGRAM (CIP)

1. The City will monitor and periodically assess the City's capital equipment and infrastructure, setting priorities for its renovation and replacement based on needs and available resources.
2. The City will develop a multi-year program for capital improvements that will be reviewed annually in the budget process.
3. Projects in the CIP will be flagged as either funded or unfunded depending on whether or not the forecasted operating budget can support or fund the project. All funded projects are included in the operating budget for the corresponding budget year.
4. The City will maintain its physical assets at a level adequate to protect the City's capital investment and minimize future maintenance and replacement costs. The budget process will provide for review of maintenance and orderly replacement of capital assets from current revenues where possible.

VI. CAPITAL ASSETS

1. Capital assets are non-consumable assets with a purchase price of \$5,000 or greater and a useful life of more than one year.
2. The Finance Department will oversee a physical count/inspection of all capital assets at least on a biennial basis. All additions, deletions, and depreciation of infrastructure will be reported consistent with the requirements of the Government Accounting Standards Board Statement Number 34.
3. Adequate insurance will be maintained on all capital assets.

VII. DEBT

1. The City will generally limit long-term borrowing to capital improvements.

2. The City will follow a policy of full disclosure on every financial report, official statement, and bond prospectus.
3. The City will strive to maintain its high bond ratings, currently A2 from Standard and Poors and A from Moodys, and will receive credit ratings on all its bond issues.
4. General obligation debt will not be used for self-supporting enterprise activities.
5. The City shall ensure that its general obligation debt margins are within the 3% true cash value limitation as set forth in ORS 287.004.
6. Funding strategies that are necessary to support debt obligations should be implemented prior to debt payments becoming due so that debt obligations can be met from current revenues.
7. The City will use voter-approved general obligation debt to fund general-purpose public improvements that cannot be financed from current revenues. Special purpose debt including certificates of participation, revenue bonds, and loans will be linked to specific funding sources.

VIII. Grants

1. Community organizations that desire financial support from the City must submit a Community Grant application no later than March 1 in order to be considered for funding in the next budget year. Applications will be reviewed by the department director assigned by the City Manager. Primary consideration will be given to requests that further the goals and objectives in the Strategic Plan. Applications that are approved by the department director and City Manager shall be included in the Proposed Budget to be considered by the Budget Committee and City Council. Any recipient of a Community Grant shall submit an accounting of how the funds were expended and the benefits achieved as required by City Council Resolution No. 5089. Recipients of grants greater than \$100,000 must also submit an independent review of financial policies and procedures related to the grant proceeds no later than six months following the end of the fiscal year in which the funds were granted.
2. City departments are encouraged to seek grants and other financial support from private, nonprofit, and government agencies that would supplement City resources in meeting adopted goals and objectives. Grants that are available on an annual basis should be included in the proposed budget and do not require further City Council action once the budget is adopted, unless required by the granting agency. The City Manager is responsible to oversee other grant applications. All awarded grants must be accepted and appropriated by resolution of the City Council as required by Oregon Local Government Budget Law (ORS 294.326(3)).

IX. ACCOUNTING, AUDITING, AND FINANCIAL REPORTING

1. The Finance Department is responsible to see that all accounting, auditing, and financial reporting comply with prevailing federal, state, and local statutes and regulations including generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants (AICPA), and the Government Finance Officers Association (GFOA).
2. The Finance Department will conduct periodic internal audits of financial procedures such as cash handling, purchasing, and accounts payable to test internal controls and to detect instances of fraud or abuse. The Finance Director shall establish locations and limits for petty cash, purchase cards, and other cash and purchasing procedures

consistent with operational needs, GFOA best practices, and Oregon Administrative Rules and Revised Statutes.

3. The City will seek out and contract for the assistance of qualified financial advisors, consultants, and auditors in the management and administration of the City's financial functions.
4. The City Council will be provided monthly financial reports of revenues and expenditures.
5. A complete independent audit will be performed annually.
6. The City will issue annual financial reports in accordance with generally accepted accounting principles (GAAP) as outlined in the Governmental Accounting, Auditing, and Financial Reporting (GAAFR) publication.
7. The City will annually seek the GFOA Certificate of Achievement for Excellence in Financial Reporting and the GFOA Distinguished Budget Presentation Award.

Supersedes: Res. No. 5836	Created/Amended by/date: Res. No. 12/15/10	Effective Date: 12/15/10	Reviewed by Council: 12/06/10
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Five years ago,

more than 90 individuals in Albany came together for a community summit on homelessness. As a result of an ongoing public focus on the homeless and working poor in our area, the Homeless Enrichment and Rehabilitation Team (HEART) provides this information on projects, agencies and activities.

2010 ISSUE

Linn County Adult Services Team

In January 2010, the Linn County AST began assisting the homeless and near homeless in overcoming barriers by doing comprehensive staffing, creating action plans and providing advocates to persons who wish to move forward in their lives. Interested persons are generally assisted by a case worker from the community in completing an intake form, letter of expectations and an information release form. The AST is made up of people who work directly with the homeless and near homeless and in various specialties such as housing and disability services. AST meets 2-4 p.m. the first and third Wednesday each month and generally staffs two new cases and reviews two ongoing cases. Through September 2010, the team has staffed 18 individuals, three of whom chose not to participate. Five others have moved into housing and four others now have an income. The rest are working on action plans, which may include attending a renter's or budgeting class or working on issues surrounding disabilities which could affect their ability to gain and stay in housing. Cases are reviewed for progress every 60 days and to determine what additional help may be needed.

AST is always seeking to assist those who are ready to move forward. To refer someone, go to http://www.co.linn.or.us/health/mental_health/adult_service_team.htm and follow the directions.

Homeless Persons' Memorial Day

Homeless individuals, City of Albany staff, social service providers, faith-based organizations and the general public gathered together on December 21, 2009, at the Albany City Hall Plaza to recognize 15 people who lived and died on our streets, in abandoned properties, from illnesses or conditions directly related to homelessness.

The event marked Albany's first Homeless Persons' Memorial Day, which has been commemorated across the country annually since 1990 on or near the first day of winter (and the longest night of the year) to bring attention to the tragedy of homelessness.

Approximately 80 people gathered to honor the 15 known area deaths. Mayor Sharon Konopa read a Homeless Persons' Memorial Day Proclamation and lit the first memory candle. As each name was read out loud, a candle was lit and friends and acquaintances remembered their lives. The Linn-Benton Young Marines posted the colors, Samaritan Albany General Hospital Chaplain Wes Sedlacek gave a benediction, American Legion Post 11's bugler played "Taps" and the Post 10 Honor Guard performed a 21-gun salute.

The second Homeless Persons' Memorial Day is scheduled at 2 p.m. Tuesday, Dec. 21, in the City Hall Plaza.

Second Chance Renter Education Program

A renter education program is among goals in the Linn and Benton Ten-Year Plan to End Homelessness. Using one-time funding, Community Services Consortium revived its Second Chance Renter Rehabilitation Program in both counties. In August 2009, CSC offered four cycles of the program, each consisting of six two-hour classes: how to be a good tenant; landlord/tenant responsibilities; conflict resolution; energy education; money management; and goal setting.

Forty households enrolled and 25 successfully graduated, only one of whom had permanent housing while attending. Of the remaining 24:

- 22 were staying at homeless shelters;
- One household was living in a car; and
- One was doubling up with relatives.

Several graduates have since found housing, despite barriers that often prevent one from finding a property manager that will rent to them.

HEART to Heart Homeless Resource Fair

The fifth homeless resource fair was held May 20, 2010 at the Albany Boys & Girls Club, the second year in this venue. One hundred twenty-three individuals visited the fair this year; many of the faces were new and lots of supplies for children were given away. New this year: special housing, medical and employment programs for veterans; pet supplies; H1N1 vaccinations. Benton County again provided transportation for homeless in the Corvallis area to attend the event. We reciprocated with transportation from Albany to the Benton County resource fair.

Love INC

Love INC of Linn County currently has 26 partner churches and 574 volunteers. Love INC provides a clearinghouse for the homeless and others in need. Volunteers refer callers to the appropriate services or provide direct services when needed. In the first half of the current fiscal year, Love INC received 659 calls for help, made 225 referrals to agencies, and 63 referrals to churches. Volunteers served 284 adults and 108 children, meeting 465 adult needs and 119 child needs in 1,005 volunteer hours. Love INC provided a dozen advocates for the AST program and has helped locate and deliver furniture, bedding, household goods and other items for those moving from homelessness into housing.

Albany InReach Services

Albany InReach Services was recently named the Governor's Outstanding Volunteer Program for 2010 by the Oregon Commission for Voluntary Action & Service. The

group's mission is to support volunteerism and civic engagement to strengthen Oregon communities. InReach was also accepted by the Linn County United Way as a member agency in 2009.

Established in 1993, InReach is a cooperative effort of 45 volunteer medical professionals; Samaritan Health/FirstCare Physicians including limited psychiatric services; Samaritan Albany General Hospital; Albany General Hospital Foundation; Linn County Health Department; Oregon State University and Western University of Health Sciences pre-medicine and pharmacy students. Additional non-clinical volunteers check in patients, maintain records and provide Spanish translation.

InReach provides an organized point of service for volunteer professionals who wish to help but need the framework that InReach provides for their good intentions. "We feel that InReach is becoming a model that we could share with other communities," Kevin Ewanchyna, MD, InReach Services Medical Director and chief medical officer of Samaritan Health Services told InReach supporters. "This could not happen without the countless hours of volunteer time and donations from a variety of people."

In partnership with the Linn County Health Department and other volunteers, more than 500 medical patients were treated from January through September 2010 and another 461 dental patients were treated and/or screened. Half of all InReach patients are female.

InReach improves dental and medical access for children, low-income adults, families without insurance, laid-off workers between jobs and the elderly. Because of the variations in people and medical conditions, an array of approaches is used to improve health status. Recent statistics demonstrate that InReach primarily serves the greater Albany area: 76% say that Albany/Millersburg or Tangent is home and 94% of dental patients concur.

InReach treats those who fall below federally-established poverty limits. Individuals with chronic health issues are referred to primary care physicians willing to treat them in their normal weekly practices. Albany area specialists and dentists voluntarily support the work of primary care providers when special needs arise.

As Albany has grown and the economy soured, the demand for medical and dental services continues to expand. In response, volunteer parish nurses have established a clinic on site at the Albany

Helping Hands homeless shelter to back up the InReach clinic. In addition, the all-volunteer Albany Oral Health Council continues to address local dental health needs.

Shelters

"When we hear the word 'homeless,' most of us have an impression of somebody who may be dirty, drunk, laying in the street, lazy, or asking for spare change," said Paul Barnes, executive director of **Albany Helping Hands**. "Unfortunately, some people have not experienced or had direct contact with someone who has been homeless and don't see the many causes of homelessness."

Barnes said many try to treat the homeless in a homogeneous way: feed them, clothe them, house them, and hope that will fix the problem. He sees that method as treating the effect, not the cause, and the cause from one individual to another can be as different as the stars in the sky. People become homeless for a multitude of reasons: lack of affordable housing, employment and medical benefits, or education; addictions; and poor life skills. Each must be addressed to truly fix the cause and create sustainable life change, he said.

Helping Hands has approached the concept of wrap-around services to create that change. This year, they have implemented several new programs to aid in this process. All of the programs include an assessment of needs and skills and, with the input of the individual, shelter staff can discern a direction for the individual to improve, take ownership of, and become accountable for learning basic skills to secure footing on the path to stability. Barnes reports positive results from this early development stage: an increase in self-esteem, pride of accomplishment, and an eagerness to progress.

ChristWalk in Lebanon offers supportive transitional housing for single men and single women and a support program for families. ChristWalk just purchased a 5-plex unit in Lebanon: three units are available for homeless men, providing up to 17 beds. The Women's House provides five beds, and an apartment nearby houses a small family. One ChristWalk board member provides shelter for up to seven families at any one time for whom ChristWalk has no house; with the help of local churches, he has housed two families. This holds true to the philosophy of HEART that people will recover from homelessness quicker if they are in a place where they have a support system.

Toto Fund

From September 2009-August 2010, the Toto Fund assisted 63 people with emergency

travel or traveler's aid. Two vehicles (eight people) were assisted directly by Albany Police Department officers with gasoline to help them continue on to their destinations. The officers were reimbursed their expenses via the Toto Fund. The other 55 people were served with bus or train transportation, gasoline or motel rooms through Fish of Albany, Inc. The majority left Albany to return to the support of family or friends. Others requested transportation to new jobs; two needed help returning home after being incarcerated in Albany. All the recipients' stories and support were verified before assistance was granted.

- One man spent his entire paycheck to come to Oregon to find his children after they were abandoned by their mother. Toto helped them return home with the family intact.
- A young couple with a baby, living in their car in California, ran out of gas in Albany on their way to a job in Montana. A local church referred them to Fish. Their station wagon was loaded with their possessions, leaving barely enough room for two people and the car seat. All were in desperate need of baths and sleep before continuing. The Toto Fund provided one night in a motel (showers!) and gasoline. They left the next morning rested and grateful.

Fundraising brought in \$3,568.10 this year, with expenses totaling \$3,769.15; on Sept. 1, 2010, the fund balance was \$161.97. Toto is part of Fish's Transportation Assistance Program, supported by United Way of Linn County and local churches.

Returning folks to a network of support and promise is a tremendous gift which enables them to regain their balance, stand on their own, or find the nurturing they need to survive. It also benefits our community to remove persons from homelessness or despair by relocation to areas where they can receive the support they need to prosper.

East Linn County Resource Jam

The first East Linn County Resource Jam was held on August 25, 2010, at The River Center, Lebanon. Sponsored by CSC and The River Center, 23 agencies and organizations that serve the needy in the east Linn County were invited. Ten organizations gave presentations in the morning and the afternoon on their mission, services, and referral information. Twenty-six individuals attended the morning session; 25 attended in the afternoon.

