

CITY OF ALBANY
CITY COUNCIL (WORK SESSION)
Municipal Court Room
Monday, January 25, 2010
4:00 p.m.

MINUTES

CALL TO ORDER

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

ROLL CALL

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

Councilors absent: None.

BUSINESS FROM THE PUBLIC

Ray Hilts, 3012 Takena Street SW, said that he thinks there should be a policy in place regarding City Councilors writing letters to the newspaper in support or nonsupport of campaign issues. He said that he is concerned that a Councilor's endorsement or opinion may have a bigger impact compared to the average citizen's opinion. Hilts said that he thinks Councilors should just use their name when writing the letters and not include the title "City Councilor." Konopa said that historically Councilors have been able to write opinion letters. Konopa said that it is acceptable to do this as long as the Councilor doesn't state that the letter is from the Albany City Council. Councilor Floyd Collins said that he thinks there may be a policy from years ago.

MUNICIPAL JUDGE ANNUAL REPORT AND CONTRACT REVIEW

Judge Robert Scott presented his annual report to the Council. He thanked the City Council for the remodel to the Municipal Court office space. He said that staff is now able to assist more people at one time. He thinks it makes our citizens and staff happier, and it is a much safer and secure work area. Scott said that there has been continued progress with information flowing from the Municipal Court to Albany Police Department (APD) and defense attorneys and vice-versa. The Municipal Court staff is great; they are sympathetic to the citizens coming in to pay their fines and work with them to set up payment plans.

Councilor Ralph Reid asked if there is a backlog of cases. Scott said that there is no backlog at all. Councilor Bessie Johnson said that the Municipal Court staff always speaks positively about Scott. She said that there is a great bunch of people working in the Municipal Court. Councilor Bill Coburn asked about the 30% drop in cases filed and what Judge Scott thought might have caused it. Scott said that he doesn't know exactly what has happened. Reid asked about the \$45 surcharge. Scott said that the legislature added this surcharge that courts must now impose. He doesn't like having to add the charge on top of the fine as many people are already struggling to pay their fines. He said that the full amount of the surcharge goes to the City and that the surcharge is supposed to expire sometime next year unless it gets renewed. Konopa asked Scott if he is comfortable with the terms of the renewal contract. Scott said he is.

VOLUNTARY SEPERATION INCENTIVE PROGRAM

Human Resources Director David Shaw discussed the voluntary separation incentive program. He said that staff had first looked at employees who are eligible for retirement but then expanded it to include all employees. He said that they have come up with this program as a way to help prevent layoffs. Johnson asked if this would include employees in bargaining units. Shaw said that it would include most employees. Certain employees will not be eligible to participate in the program including seasonal and temporary employees, employees with fewer than five years with the City, sworn APD officers, emergency services and life safety employees in the Fire Department, and any other position that the City Manager determines to be critical. Johnson asked if a full-time employee in a bargaining unit could resign and then fill the same position as a temporary employee. Finance Director Stewart Taylor said that is an option and the employee could work 1,039 hours total under PERS regulations. The position would remain vacant after the 1,039 hours was completed.

City Manager Wes Hare said that the alternative to this program is layoffs. Johnson asked if the unions have agreed to this. Shaw said that they have discussed it with one of the unions, and the other unions are aware of the program. Shaw said that he believes the majority of employees who will take part in this program will be employees eligible for retirement. Johnson said that she is concerned with keeping the level of service up. Shaw said that is why they are having a temporary position available to help prepare the department for the transition. Taylor said that they will run into the issue of staff acquiring additional duties if there are layoffs or voluntary separations. Johnson said that she is concerned with the employees who remain having a heavy workload and service levels expected to be the same. Collins asked if this would be continued in the future years. Shaw said that this program has a deadline and it won't be a continual program.

Taylor said that he doesn't know what the participation will be but is hoping it will be significant enough to avoid layoffs. Collins said that the big reduction won't be seen immediately but would be seen in subsequent years.

Collins would like to receive feedback about how this program is going. Councilor Dick Olsen asked if any of the employees who are eligible to retire are also eligible to access Medicare. Shaw said that 52 employees are eligible for retirement, but only a few are probably eligible for Medicare. The employees can use the cash incentive for insurance payments. Shaw said that employees are eligible to continue on the City's insurance until they are eligible for Medicare. Johnson asked what the cash payment would be. Shaw said it would be between \$6,000 – \$18,000. Johnson asked if there is criteria to keep a department from losing too many employees. Shaw said that yes, the Department Director will be able to approve or not approve the program for the employee(s). Johnson asked what the average savings would be for an employee. Shaw said that the City would be saving approximately \$45,000 the first year and \$90,000 the following year per employee. Coburn asked if the 1,039 hours could be part-time. Shaw said an employee could work part-time or full-time based on the needs of the department. Konopa thanked Taylor and Shaw for the report. Hare said that he will keep the Council informed as the process continues.

COMMUNITY DEVELOPMENT FEE INCREASES

Community Development Director Greg Byrne discussed the information in the Community Development Fee Proposal notebooks (see agenda file). Discussion followed regarding the Planning fees.

Byrne said that the General Fund is subsidizing the review process about 70% - 90%. Coburn asked if Byrne wants Planning to be self-sufficient. Byrne said that the resolution states that Planning should be self-sustaining. Coburn asked if Byrne has looked at a long-term plan to make Planning self-sufficient. Byrne said that he is hoping the Council will adopt a cost recovery policy so they can become self-sufficient.

Collins said that if fees are increased too much, it will result in people doing repairs and changes without permits.

Hare said that it is important to be comparable to other similar communities. Byrne said that they have looked at Bend, Salem, Corvallis, and Springfield for fee comparisons.

Coburn said that if we agree with the methodology of 75%, the question becomes how do we get there? Hare said that we are trying to reduce costs in the General Fund and raising fees will help. Ideally, these fees will help maintain and keep the services in Community Development instead of being performed by an outside agency. Olsen asked, if we increase the fees will Albany be comparable to Corvallis? Byrne said that yes, their fee increase will be smaller than ours because we are trying to catch up; but if we do an increase, we will be comparable to Corvallis. Byrne added that Eugene collects a 9% administrative fee on every permit they issue. Hare said that we need to recognize the impact of a substantial one-time increase in this economy; but it is necessary to reduce some of the challenge of sustaining the General Fund.

Collins said that we are looking at a different way of funding the General Fund and this is a different way of doing business than in the past. Collins said that we have to be sensitive to what people will be able to pay. Konopa said that we also need to consider who is benefiting from the services.

Olsen said that he thinks we should be charging what other comparable cities are charging. Olsen asked, how much does Corvallis recover with the collection of fees? Byrne said that Corvallis has a 70% recovery.

Johnson said that she thinks we need to set a fee schedule in small increments every year and the Council needs to stick to it.

Byrne said that he would like to talk about Building fees. He said that the goals of the Building Division are to be a full-service, customer-oriented building safety division; to charge fair stable fees for services; and to refocus the management of the department and division on providing services.

Byrne said that there are four different options for achieving a self-sufficient Building Division. The first is to increase all of the fees 40% across the board; the second is to increase residential permits by 20% and commercial permits by 60%; the third is to add an administrative fee in addition to an increase to residential and commercial permit fees; and the fourth is a market-based option, which would be to increase fees so that our fees are similar to other like-sized communities.

Building Official Manager Melanie Adams said that the numbers are based on a cost recovery program with zero reserves. Byrne said that staff met with the Homebuilder's Association. Generally, the members of the Homebuilder's Association said that they understand fees need to be raised, and the gap has to be closed. Byrne said that the Homebuilder's Association suggested a 20% increase for residential and 60% for commercial. Councilor Jeff Christman said that the effect on the bottom line can kill a commercial project. Byrne said that he agrees with Christman, but he doesn't think that the increase they are talking about would do that. Discussion followed.

Coburn asked what Byrne's preference is relating to increasing the building fees. Byrne said that he thinks it would be appropriate to increase residential fees by 20% and commercial fees by 40-50%; adjust the specialty permit fees; and not add an administrative fee.

Konopa said that staff has asked the Council for direction and this item will come back for just one more Work Session. She said that she thinks the Council needs to be committed to following through with some sort of fee increase.

Collins asked if this fee process would go through a public hearing. Byrne said yes. Christman said that he is comfortable with sending this forward for a public hearing if staff can provide examples of costs at the public hearing. Christman said that the Council has the opportunity to change the way the City does business, and should be looking at what services are essential and what services they are willing to give up. He said that one service he thinks is unnecessary is leaf pickup. He said that he doesn't consider leaf pickup to be an essential service.

Hare said that if the Council is not willing to raise building inspection fees, they will need to choose what to give up. We are trying to figure out how to continue providing services that our citizens are accustomed to. Konopa said that staff has a heavy workload and the Council needs to give them direction. Coburn said that he would like this to move forward to a public hearing. He doesn't think that the average taxpayer wants to be subsidizing building and planning fees.

Konopa directed staff to bring back the discussion of building fees and examples of fee changes on individual permits to the February 8, 2010, City Council Work Session. A public hearing is scheduled for building fees for February 24, 2010.

Olsen said that he would like the fee increase to be small for homes that are in historic districts.

COUNCILOR COMMENTS

Johnson asked if staff would request a water rate increase this year. Hare said no.

CITY MANAGER REPORT

There was no report from the City Manager.

ADJOURNMENT

There being no other business, the Work Session adjourned at 6:20 p.m.

Respectfully submitted,

Diana Eilers
Administrative Assistant I

Reviewed by,

Stewart Taylor
Finance Director

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