

CITY OF ALBANY
CITY COUNCIL (WORK SESSION)
Municipal Court Room
Monday, December 6, 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 Dick Olsen, Bill Coburn, Floyd Collins, Bessie Johnson, and Ralph Reid, Jr.

Councilors absent: Councilor Jeff Christman.

BUSINESS FROM THE PUBLIC

There was no business from the public.

RISK MANAGEMENT POLICY and FINANCIAL POLICY UPDATE

Finance Director Stewart Taylor explained that the Council reviews three Finance policies on an annual basis. The policies are incorporated into the Budget document. Tonight the Council will review the Financial Policy and the Risk Management Policy.

Staff has no recommended changes to the Financial Policy. The Financial Policy establishes parameters for budgeting and objectives for how the City positions finances throughout the year so the City is in conformance with the Strategic Plan. It also defines targets for fund balances, capital assets, and allowable debt for conformity with Government Finance Officer Association (GFOA) accounting standards.

Councilor Floyd Collins asked if Section V, Capital Improvement Project (CIP), pertains to General Obligation (GO) bonds. Taylor said yes. Collins wants the policy to clarify statutory limitations related specifically to GO debt. Collins' suggestion will be incorporated into the policy and it will come back to a subsequent meeting for adoption via resolution.

Taylor introduced Steve Uerlings of Barker-Uerlings Insurance. Uerlings handed out a Risk Management Report (see agenda file).

Uerlings reviewed the report. It contains a five-year history of insurance coverages and claims. Overall the City's claims history has been good. Compared to other like-size cities, Albany has better loss ratios. The City is managing risk well.

Taylor said another piece of Risk Management is providing driver training, having a Safety Committee, and other things that are done throughout the year to limit exposure.

City Attorney Jim Delapoer said it is very helpful to have Uerling's input when staff has question about contracts, etc. He does a lot more than just purchase insurance for the City.

SOUTH ALBANY AREA PLAN

Community Development Director Greg Byrne said Albany has been awarded a Transportation and Growth Management Grant (TGM) from the state of Oregon to use for planning in the south end of the urban growth boundary. The scope of work is very detailed and Oregon Department of Transportation (ODOT) has assigned the City a Plan Manager.

Byrne gave a PowerPoint presentation (see agenda file).

Councilor Ralph Reid Jr. suggested considering Beta Drive as an undercrossing. He thinks there is enough room from Highway 99 to the railroad tracks for vehicles to get under it. The issue could be an adjacent property with limited access; the City may want to acquire that property if it comes up for sale.

Byrne said the next piece to come before the Council will be technical reports. Staff will present different scenarios to the public in the fall.

FIXED BASE OPERATOR REQUEST FOR PROPOSAL

Airport & Transit Manager Chris Bailey said the Request for Proposal (RFP) for a Fixed Base Operator (FBO) is in the agenda packet. The RFP has been reviewed by the Airport Commission and their recommendations have been incorporated into the document. They want to provide flexibility so interested parties could create a business plan

based on what they think would be successful at the Airport. The RFP has some minimum requirements, like a base proposal without fuel sales and a second proposal that includes fuel sales, if they are interested. The RFP states that the Council will ultimately decide if fuel will be offered. The RFP also asks for references. Bailey said the next step is to have the RFP reviewed by the Purchasing Coordinator and advertise it. She thinks that by the end of February staff could begin negotiations with the successful bidder.

Bailey said the Airport Commission discussed a proposal by Dan Miltenberger, to purchase the FBO building for \$50,000 and the fuel system for \$50,000. They decided to not bring his offer to the Council, but rather to wait and see what responses they get to the RFP. If there are no viable responses, then the Commission would like to revisit other ideas, including Miltenberger's proposal.

The Council discussed the feasibility of having a restaurant at the Airport. Delapoer explained that the current language excludes a restaurant because the building is not set up for it.

Dan Miltenberger, 2825 Jackson Street, asked about the RFP language excluding a restaurant. The Council would like for RFP responders to be able to consider a restaurant so staff will work to change the language so that a restaurant is not excluded.

Councilor Bill Coburn noted that the RFP asks for credit references and a financial analysis; he suggested they also ask for a financial statement. His concern is if a bidder is financially capable to carry through with what they propose. Discussion followed. Delapoer explained that the more wide open this RFP becomes, the more difficult it will be to objectively compare proposals. How much they want a financial statement might be contingent on the plan being proposed, such as in the case of a straight FBO versus a major remodel to include a restaurant. Delapoer will work on language that will reserve the right to ask for additional financial information based on the proposals received.

Councilor Dick Olsen was concerned about the cost of maintenance and asked who would be responsible for exterior items such as the landscaping. Delapoer will work with staff to keep the lease standard but add language indicating that precise terms can be negotiated at a later date.

DEERFIELD PARK FUNDING PLAN

Parks & Recreation Director Ed Hodney described the financing alternatives for purchasing Deerfield Park. The purchase is within an agreement approved by the City Council and the Greater Albany Public Schools (GAPS) that allows the City to purchase Deerfield Park for \$362,600 in a three-year period. GAPS has most recently asked the City to consider accelerating the purchase of the property so they can use the funds for improvements to a track and soccer fields at the new Timber Ridge School.

Hodney has put together three funding strategies which are outlined in the staff report.

Collins asked what the tradeoff is for owning versus leasing the property. Hodney said owning is better than leasing because GAPS could cancel our lease if they needed to sell the property. The advantage to the City is to buy it now, or buy it later for a higher price, or continue a long-term lease.

Olson asked if the soccer fields at Timber Linn Park were irrigated. Hodney said no. The new soccer field at Timber Ridge School would be much nicer and accessible to the whole community. Also, a rubberized track is much easier to maintain than a cinder track; and both would be maintained and irrigated by GAPS so the City would not have maintenance costs.

Reid is reluctant to move forward with this joint project based on the City's experience when taking over the Community Pool at South Albany High School. He does not want to get into a position where GAPS has facilities they can't maintain.

Councilor Bessie Johnson asked about the City's commitment to the East Thornton Lake Natural Area (ETLNA). She is concerned that the City may be on the hook for funding if the grants fall through. She asked the status of the grant applications. Hodney said there are two grants to be submitted in February and a large grant in April, though they won't know the results until July. Johnson does not agree that the City should have to cover the project if the grants are unsuccessful. It could deplete the City's funding for other projects.

Collins said that Deerfield Park is used like a City facility and he would hate to lose the money already invested. He also sees the need for the track and soccer fields at the school, since they can be used by the whole community. Folks in the subdivisions by the school paid Parks SDC fees. He is interested in using the SDCs in Fiscal Year (FY) 2011-12 to make up the difference.

Konopa said that GAPS is worse off financially than the City. They want this project to move forward because it is the only one they will be doing this year. There were requests to give some PepsiCo settlement funds to the schools, so there is concern for school funding in the community. Supporting this project would benefit the kids in that neighborhood and the whole community.

MOTION: Collins moved to direct staff to include \$170,000 in FY 2011-12 Parks System Development Charges (SDCs) program budget for completion of the soccer field and track; and to bring back a financial plan for the remaining \$192,620 needed for the purchase of Deerfield Park. Coburn seconded it and it passed 5-0.

GAPS will finish the project in the current fiscal year (FY) and will be reimbursed by the City in FY 2011-12

COUNCILOR COMMENTS

Collins said he got a call that the cyclone fence at the Arco Station is knocked down. With the current rash of arsons in vacant buildings, this property is at risk. Public Information Officer/Management Assistant Marilyn Smith said the fence is compromised due to a tree laying on it; but the fence is still intact. There is a buyer interested in the property but they need ODOT approval. The last time she talked to them they were conferring with financial investors. They may ask the Council for financial assistance.

Konopa said there is a meeting tonight at 6:30 p.m. in the Council Chambers regarding the arsons. They expect 43 Neighborhood Watch Captains to attend. The meeting will be recorded and the video will be posted on the City's website. Staff will also hand out a list of vulnerable properties and ask leaders to see if there are properties in their neighborhood that should be added to the list. The list will help everyone to keep watch over vacant houses. Tonight's meeting will be a good exchange of information.

Delapoer recalled that at a previous Work Session the Council agreed to lease 3801 Knox Butte Road to Scott Lepman and during that discussion Reid suggested that Lepman should be obligated to help pay for demolition. Delapoer sent a proposal to Lepman that included language stating that Lepman would pay for 25 percent of the demolition. Lepman is not willing to agree to that term but will agree that if he leases the house for seven years, to pay a cost proportionate to seven years. The question for the Council is if they want the contract to obligate Lepman to demolish the house, and in what timeframe. Discussion followed.

Staff reminded the Council what the benefits are for allowing Lepman to lease the vacant property: it is on the tax rolls again, it is insured, and the City does not have to maintain it.

MOTION: Coburn moved to authorize the City to enter into a lease with Scott Lepman, for a seven year term, with the ability for the City to terminate on a shorter notice; and if the City terminates at less than five years, prorated repayment will be made to Lepman for improvement costs; and if the City terminates at less than seven years, prorated repayment will be made to Lepman for demolition costs. Collins seconded it and the motion passed 5-0.

CITY MANAGER REPORT

There was no report.

ADJOURNMENT

There being no further business, the Work Session adjourned at 5:53 p.m.

Respectfully submitted,

Mary A. Dibble, MMC
Deputy City Clerk

Reviewed by,

Stewart Taylor
Finance Director