



NOTICE OF PUBLIC MEETING
CITY OF ALBANY
CITY COUNCIL
 Council Chambers
 333 Broadalbin Street SW
 Wednesday, January 26, 2011
 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. APWA Presentation. [verbal]
 Action: _____
5. SCHEDULED BUSINESS
 - a. Business from the Public
 - b. Adoption of Resolutions
 - 1) Expressing the intent of the Albany City Council concerning southern expansion of the corporate limits of the city of Albany. [Page 1]
 Action: _____ RES. NO. _____
 - 2) Authorizing a farm lease of South Albany Community Park to Ehrlich Farms, LLC. [Pages 2-4]
 Action: _____ RES. NO. _____
 - 3) Authorizing a farm lease for a portion of Bryant Park to James Jordan. [Pages 5-7]
 Action: _____ RES. NO. _____
 - c. Adoption of Consent Calendar
 - 1) Adopting the City of Albany Natural Hazard Mitigation Plan dated January 2011. [Pages 8-9]
 RES. NO. _____
 - 2) Approving a liquor license for SGB, LLC, D/B/A Wine Depot & Deli, 300 Second Avenue SW. [Page 10]
 Action: _____
 - d. Change Orders
 - 1) WC-10-03, Columbus Street Bank Repair. [Pages 11-13]
 Action: _____
 - 2) WL-10-03, Baker Street Water Line. [Pages 14-17]
 Action: _____
 - e. Appointments
 - 1) Traffic Safety Commission. [Page 18]
 Action: _____
 - 2) Council Audit Committee. [Pages 19-22]
 Action: _____
 - 3) Hospital Facility Authority. [Pages 23-25]
 Action: _____

f. Reports

1) 2009-2010 Audit Report and Management Letter. [Pages 26-32]

Action: _____

2) Receiving Code Enforcement Team Second Quarter Report for Fiscal Year 2010-2011. [Pages 33-34]

Action: _____

6. BUSINESS FROM THE COUNCIL

7. NEXT MEETING DATE: Work Session February 7, 2011
Regular Session February 9, 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.

RESOLUTION NO. _____

**A RESOLUTION EXPRESSING THE INTENT OF THE ALBANY CITY COUNCIL CONCERNING
SOUTHERN EXPANSION OF THE CORPORATE LIMITS OF THE CITY OF ALBANY**

WHEREAS, the Tangent City Council has asked the Albany City Council to clarify its intentions with regard to the expansion of the southern boundary of the city of Albany; and

WHEREAS, the Albany City Council acknowledges the corporate integrity of the City of Tangent and recognizes the City of Tangent as a valuable governmental partner in the development of the greater Albany/Tangent community; and

WHEREAS, the Albany City Council also recognizes the importance of the riparian areas, open space, and agricultural land which currently separates the City of Albany and the City of Tangent.

NOW, THEREFORE, BE IT RESOLVED that the Albany City Council hereby expresses its intention to limit southern expansion of the Albany Urban Growth Boundary and city limits as necessary to appropriately protect the corporate integrity of the City of Tangent; and

BE IT FURTHER RESOLVED that the Albany City Council expresses its recognition of the value of maintaining riparian areas, open space, and agricultural land between the two communities; and

BE IT FURTHER RESOLVED that the Albany City Council hereby expresses its intent not seek, now or in the future, to annex the City of Tangent into the City of Albany.

DATED AND EFFECTIVE THIS 26TH DAY OF JANUARY 2011.

Mayor

ATTEST:

City Clerk



TO: Albany City Council
VIA: Wes Hare, City Manager
FROM: Ed Hodney, Director of Parks and Recreation
DATE: January 20, 2011, for the January 26, 2011 City Council Meeting
SUBJECT: Resolution authorizing South Albany Community Park farm lease
RELATES TO STRATEGIC PLAN THEME: • An Effective Government

Action Requested:

Approve a Resolution authorizing a farm lease of South Albany Community Park to Ehrlich Farms LLC

Discussion:

Ehrlich Farms LLC has requested a farm lease of South Albany Community Park in its entirety. The City has no plans to develop the park in the near future, allowing farm use to continue on the property. The lease will terminate on August 31, 2014, unless terminated by either party on an earlier date. An annual rent of \$2,098 has been negotiated.

City Council is asked to authorize the City Manager to sign the lease.

Budget Impact:

New revenue in the amount of \$2,098 will accrue to the Parks and Recreation Fund 202.

Attachment: Exhibit A—Map

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING A FARM LEASE OF SOUTH ALBANY COMMUNITY PARK TO
EHRlich FARMS, LLC

WHEREAS, the City of Albany previously purchased 26.6 acres on Lochner Road to establish the South Albany Community Park for future development, as shown on Exhibit A (attached); and

WHEREAS, the City does not plan to develop the park site in the foreseeable future; and

WHEREAS, Ehrlich Farms previously farmed and wishes to continue to farm this property until park development occurs; and

WHEREAS, a lease has been negotiated to allow farm use on the park until August 31, 2014 unless terminated sooner by either party; and

WHEREAS, an annual rent of \$2,098 shall be paid to the City by Ehrlich Farms LLC.

NOW, THEREFORE, BE IT RESOLVED the City Council hereby authorizes the City Manager to sign the lease with Ehrlich Farms LLC.

DATED AND EFFECTIVE THIS 26th DAY OF January 2011.

ATTEST:

Mayor

City Clerk

WSW COR. ROBERT
PENTLAND D.L.C. No. 69

BASIS OF BEARINGS - PER C.S. 21645

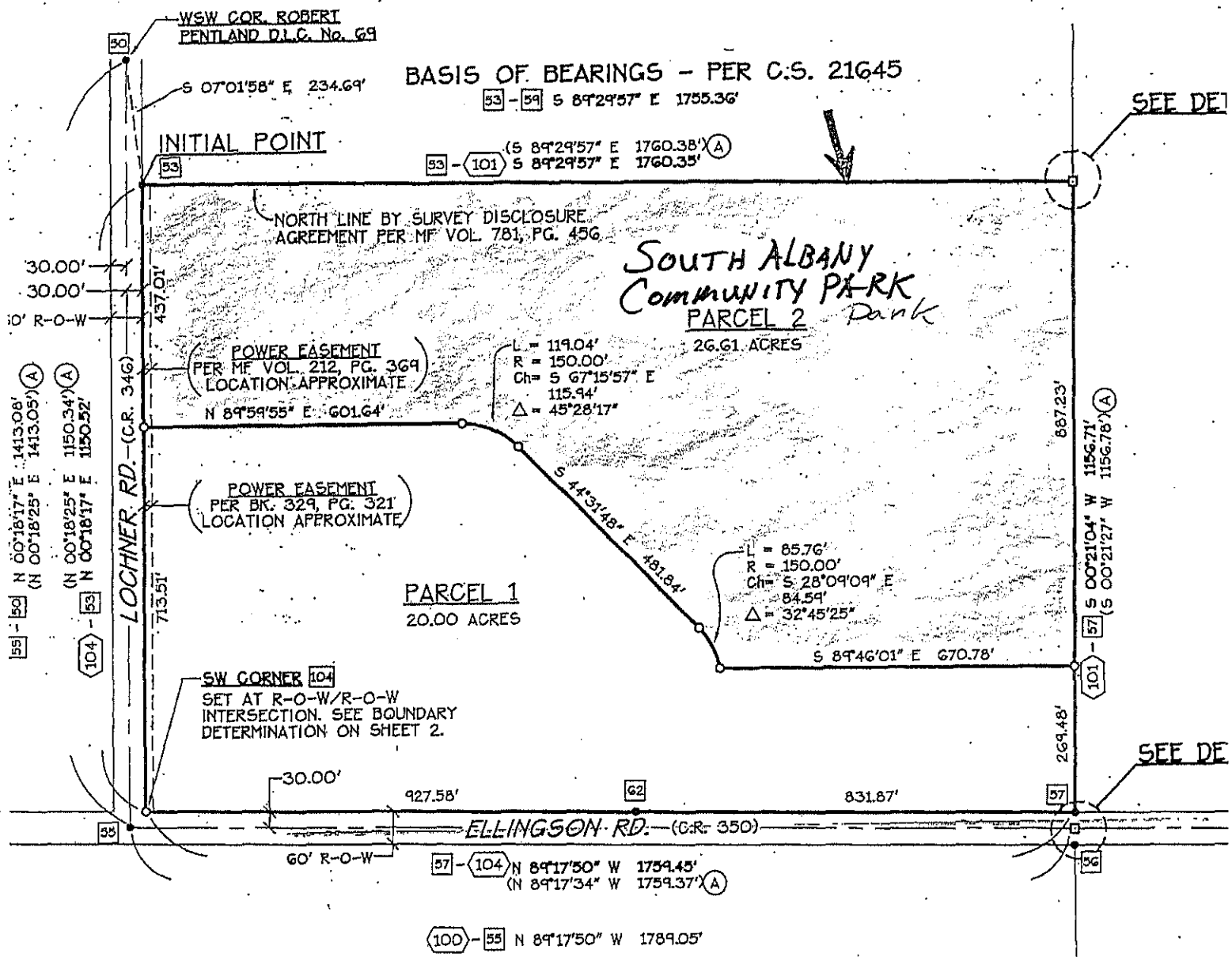
INITIAL POINT

SEE DE

**SOUTH ALBANY
COMMUNITY PARK
PARCEL 2** Park
26.61 ACRES

PARCEL 1
20.00 ACRES

EXHIBIT A



Page 1 of 3





TO: Albany City Council
VIA: Wes Hare, City Manager
FROM: Ed Hodney, Director of Parks and Recreation *EH*
DATE: January 20, 2011, for the January 26, 2011 City Council Meeting
SUBJECT: Resolution authorizing Bryant Park farm lease
RELATES TO STRATEGIC PLAN THEME: • An Effective Government

Action Requested:

Approve a Resolution authorizing a farm lease for a portion of Bryant Park to James Jordan

Discussion:

Since 2004, the City has leased 12.3 acres of undeveloped land in Bryant Park to James Jordan for farm use. Original lease has expired, and both parties wish to continue the lease for the foreseeable future. The new lease will continue on a year-to-year basis until either party decides to terminate the agreement. An annual rent of \$90 per acre, a total of \$1,107 has been negotiated.

City Council is asked to authorize the City Manager to sign the lease.

Budget Impact:

No impact. Revenue was included in the current adopted budget.

Attachment: Exhibit A—Map

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING A FARM LEASE FOR A PORTION OF BRYANT PARK TO
JAMES JORDAN

WHEREAS, City of Albany, Oregon City Council previously authorized by motion a farm lease to James Jordan for a 12.3 acre portion of Bryant park on March 10, 2004, as shown on Exhibit A (attached); and

WHEREAS, the original lease has expired and both the City and Jordan wish to continue the landlord-tenant relationship; and

WHEREAS, a new lease has been negotiated to continue the lease arrangement on a year-to-year basis unless terminated with adequate notice by either party; and

WHEREAS, an annual rent of \$1,107 shall be paid to the City by Jordan.

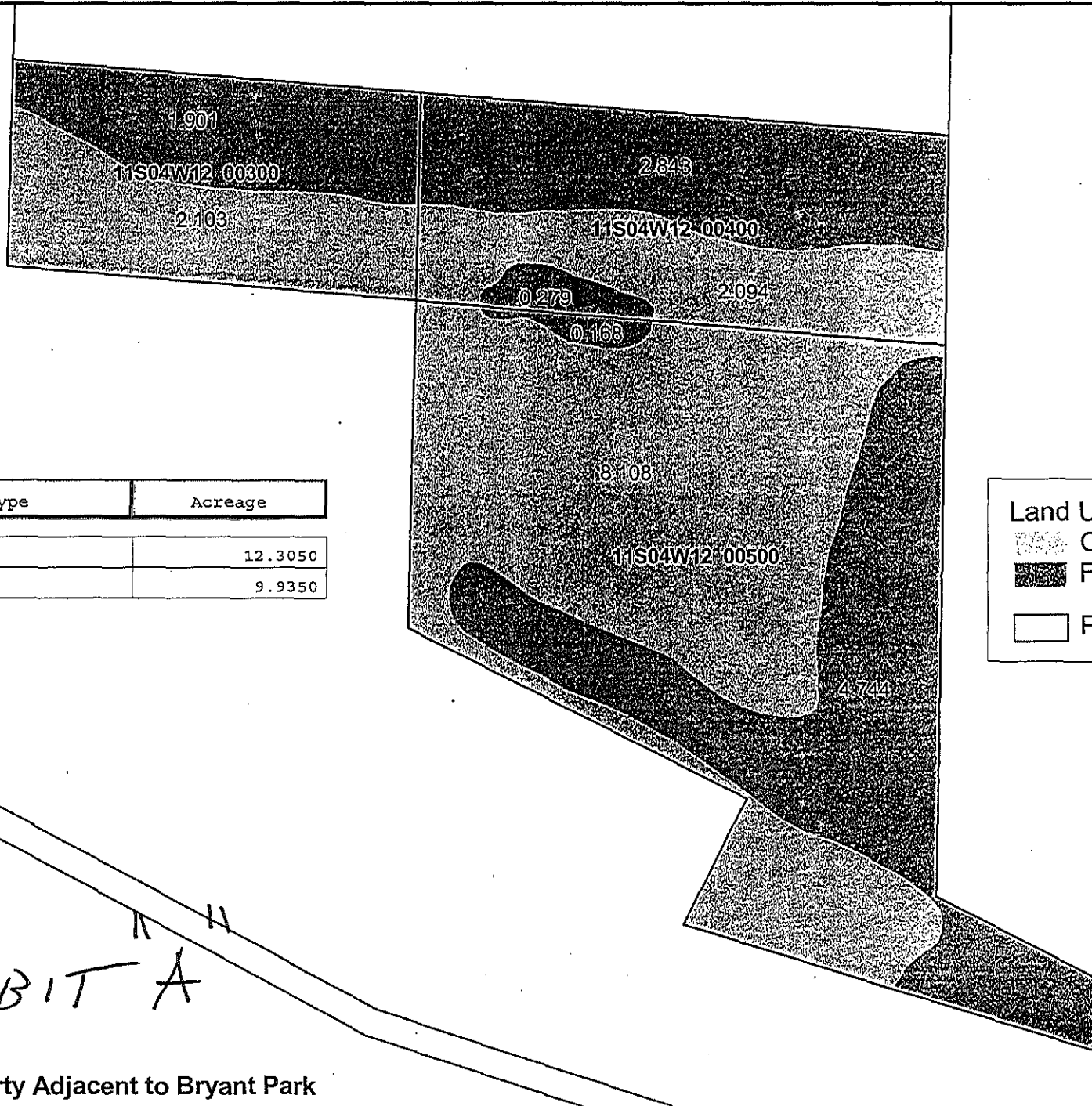
NOW, THEREFORE, BE IT RESOLVED the City Council hereby authorizes the City Manager to sign the lease with James Jordan.

DATED AND EFFECTIVE THIS 26th DAY OF January 2011.

ATTEST:

Mayor

City Clerk



Use Type	Acreage
CULTIVATED	12.3050
FOREST	9.9350




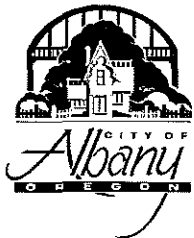
Land Use Type	
	Cultivated
	Forest
	Property Lines

EXHIBIT A

Farmed Property Adjacent to Bryant Park



TO: Albany City Council
VIA: Wes Hare, City Manager
FROM: John R. Bradner, Fire Chief *JR*
DATE: January 18, 2011, for the January 26, 2010, City Council Meeting
SUBJECT: Adoption of Natural Hazard Mitigation Plan

RELATES TO STRATEGIC PLAN THEME: • A Safe City

Action Requested:

City Council approval and adoption by resolution of the City of Albany, Oregon, Natural Hazard Mitigation Plan dated January 2011.

Discussion:

On December 19, 2005, the City Council approved and adopted the City of Albany Natural Hazard Mitigation Plan by Resolution No. 5217. A Natural Hazard Mitigation Plan (Plan) is required for the City to receive federal mitigation grant funding. It is also required that the Plan be reviewed and updated; adopted by the Council; and subsequently approved by the Federal Emergency Management Agency (FEMA) every five years.

Over the past year, the City's Natural Hazard Mitigation Steering Committee has reviewed and updated the Plan. A draft was reviewed by the Oregon Partnership for Disaster Resilience at the University of Oregon, which provided valuable input to Plan improvements. A final draft was then reviewed by Oregon Emergency Management and the U.S. Department of Homeland Security (DHS). Brett Holt from DHS provided the following comments, "I thought the plan was very well done. They provided a thorough analysis of the hazard and risks, but recognized the areas they needed improvement. The land use references throughout the document were excellent. It's great to read a plan that has a holistic approach to mitigation."

After Council adoption of the Plan, a copy of the resolution will be provided to FEMA for the final step in their approval process.

Budget Impact:

None.

JB:ljh
Attachment

RESOLUTION NO. _____

A RESOLUTION APPROVING AND ADOPTING THE CITY OF ALBANY, OREGON, NATURAL HAZARD MITIGATION PLAN DATED JANUARY 2011

WHEREAS, the Albany City Council approved and adopted the City of Albany Natural Hazard Mitigation Plan (Resolution No. 5217) on December 19, 2005; and

WHEREAS, the City of Albany is required to review, update, and provide City Council adoption of the City of Albany Natural Hazard Mitigation Plan every five years to continue eligibility for federal mitigation grant funding; and

WHEREAS, the City's Natural Hazard Mitigation Steering Committee performed a review in 2010 and has updated the City of Albany Natural Hazard Mitigation Plan.

NOW, THEREFORE, BE IT RESOLVED the Albany City Council approves and adopts the City of Albany, Oregon, Natural Hazard Mitigation Plan dated January 2011.

DATED AND EFFECTIVE THIS 26TH DAY OF JANUARY 2011.

ATTEST:

Mayor

City Clerk



TO: Albany City Council

VIA: Wes Hare, City Manager

FROM: Edward Boyd, Chief of Police *E. Boyd*

DATE: January 20, 2011, for January 26, 2011, City Council Meeting

SUBJECT: Limited On-Premises Sales, Off-Premises Sales, Change Ownership, Liquor License Application for SGB, LLC, D/B/A Wine Depot & Deli, 300 Second Avenue SW, #112.

Action Requested:

I recommend the Limited On-Premises Sales, Off-Premises Sales, Change Ownership, Liquor License Application for SGB, LLC, D/B/A Wine Depot & Deli, be approved.

Discussion:

Garry and Shannon Barnes on behalf of SGB, LLC, D/B/A Wine Depot & Deli, have applied for a Limited On-Premises Sales, Off-Premises Sales, Change Ownership, liquor license. Based on a background and criminal history investigation through Albany Police Department records, the applicant has no criminal record.

Budget Impact:

None.

MR



TO: Albany City Council

VIA: Wes Hare, City Manager
Diane Taniguchi-Dennis, P.E., Public Works Director *dmchenon*

FROM: Mike Wolski, Assistant PW Director/Operations Manager
Claudia L. Zahorcak, P.E. Special Projects Coordinator

DATE: January 18, 2011, for the January 26, 2011, City Council Meeting

SUBJECT: WC-10-03, COLUMBUS STREET BANK REPAIR
Contract Increase in Excess of 25 Percent

RELATES TO STRATEGIC PLAN THEME: • A Safe City

Action Requested:

Staff requests approval of a construction contract increase to Mid-Pacific Enterprises in the amount of \$57,013.57 for the Columbus Street Bank Repair on the Santiam-Albany Canal.

Discussion:

Project Description

In Spring 2010, Public Works staff sought a solution to a series of canal bank failures located near the Columbus Street bridge adjacent to South Albany High School. A design prepared by a consultant, including civil and geotechnical engineers, recommended a rock reinforcement solution for a bank that had failed numerous times. A previous bank repair performed by the City in 2007 had not prevented additional bank loss, so an engineered solution was sought.

The design required both sides of the canal to be rocked up to the top of bank. A key requirement of the design is proper placement of the base course of rock upon which higher tiers of rock rest.

There are times when unknown or unforeseen circumstances arise during construction. In addition, due to the canal's non-engineered condition, designs are unable to precisely quantify the sediment that needs to be removed or the reinforcing rock that needs to be laid along the banks.

During construction, it was discovered that a significantly larger amount of material was going to have to be removed and replaced with rock at the base of the canal banks to provide a solid foundation for the rock reinforcement along the canal banks. This additional work significantly increased the contract size. In order to avoid significant inconvenience to the public and violation of the terms of the natural resources permit, it was critical to maintain the construction schedule and complete the work with the proper rock quantities. As a result, Council approval of the change order requested in this memo will result in payment to Mid-Pacific Enterprises for work they have already completed. Following is a description of these issues:

- Additional Bank Protection Rock and Excavation (\$53,416): Due to the soft sediments accumulated in the canal, it is impossible at the time of design of any canal bank repair to precisely quantify the amount of keystone rock required for a stable rock base. Further, the designers instructed, and the construction inspector required, the Contractor to place rock in sufficiently dense pattern to prevent subsidence or shifting that might weaken the integrity of the final stacked rock. Thus, the Engineer's estimate of rock quantity was

expected to vary. Because protection of our City's water supply, as well as public and private property, is involved, the design team agreed that *in situ* conformance of rock stability, and not conformance of estimated materials quantities, would be the determination of proper rock placement.

- Safety fencing and permanent access improvements (\$3,598). The temporary construction access for this project was improved to provide a permanent city vehicle access along the canal for future maintenance. A locked gate was installed adjacent to school fencing for safety. This improvement cost was offset by a \$6,294 reduction in landscaping that was not required.

Summary of Total Estimated Project Costs

Project Components	Estimated Cost at Time of Award	Estimated Final Cost
I. Engineering/City Labor Costs	\$ 12,765	\$ 8,695
II. Construction Costs		
a. Construction Contract	\$ 57,663	\$ 108,382
b. Contingency	\$ 14,000	
c. Other Construction Costs	\$ 250	\$ 335
<i>Construction Subtotal</i>	\$ 71,913	\$ 108,717
<i>Total Estimated Project Cost</i>	\$ 84,678	\$ 117,412
<i>Project Budget</i>	\$ 125,000	\$ 125,000
<i>Under/(Over) Project Budget</i>	\$ 40,322	\$ 7,588

The estimated change in the Mid-Pacific Enterprises contract from \$57,662.66 to \$108,382.08 represents an 88 percent change order.

Contract Award Process

The original Engineer's Estimate plus a contingency allowance resulted in an expected construction contract that was well below the \$100,000 threshold for the intermediate selection process. As a consequence, the Request for Quotations (RFQ) process was employed to secure a contractor to perform the work. Three construction firms who have done similar work for the City were notified and indicated interest in submitting quotations. An RFQ with complete design drawings was issued in June 2010. Two firms responded in writing they were unable to provide a quotation as they were not available to do the work within the required construction window. The contract was awarded to the responsive bidder, Mid-Pacific Enterprises for \$57,663. This contractor had successfully performed three other bank repairs for the City and has a highly rated track record.

The Corps of Engineers permit was issued on August 27. Terms of the permit required in-water work to be completed by October 15. The Contractor began site work on September 8, 2010.

It was determined after a week of construction that additional rock was required. Because of the narrow construction window allowed by the state and federal permit, and the need to minimize impact on adjacent properties, staff decided to maintain the construction schedule and adjust the contract to reflect quantities actually used.

Staff has concluded that for future bank repairs primarily requiring large quantities of rock, the formal procurement process should be employed, independent of the Engineer's Estimate. This will help avoid issues like the ones that took place on this project from happening again.

Albany City Council

Page 3

January 18, 2011, for the January 26, 2011, City Council Meeting

Budget Impact:

The project is estimated to be under the budget of \$125,000 by \$7,588, even with this requested change order.

This project is funded from the Water Capital Projects Fund (615-50-2308-65543).

CLZ:ksd:prj

c: Mark W. Shepard, P.E., Assistant Public Works Director / City Engineer



TO: Albany City Council

VIA: Wes Hare, City Manager
Diane Taniguchi-Dennis, P.E., Public Works Director *Diane Taniguchi-Dennis*

FROM: Mark W. Shepard, P.E., City Engineer
Staci Belcastro, P.E., Civil Engineer III

DATE: January 13, 2011, for the January 26, 2011, City Council Meeting

SUBJECT: WL-10-03, Baker Street Water Line
Contract Increase in Excess of 10 Percent

RELATES TO STRATEGIC PLAN THEME: • A Safe City

Action Requested:

Staff requests approval of a construction contract increase to Pacific Excavation in the amount of \$40,200 for the Baker Street Water Line.

Discussion:

Project Description

On August 25, 2010, Council approved a contract with Pacific Excavation in the amount of \$172,545 to construct the Baker Street Water Line Project (WL-10-03). This project included construction of approximately 1,200 linear feet of 12-inch ductile iron water line. The construction of the new water line replaced existing two-inch and four-inch water lines that frequently required maintenance to repair leaks. It also allowed for the abandonment of approximately 1,400 feet of water line located in the bottom of the Thurston Canal ditch. The location inside the ditch made it difficult to maintain and repair the water line. In order to abandon the water line in the Thurston Canal ditch, a two-inch (circa 1900) water line on Montgomery Street between Eighth Avenue and the canal ditch was replaced with approximately 150 feet of 4-inch ductile iron water line. This work was not included in the original project scope, but was included in the original construction contract. Attachment 1 is a project vicinity map.

There are times when unknown or unforeseen circumstances arise during construction. Since these issues are not in the original contract, they typically are dealt with by issuing a change order to the contractor. Two major issues came up during construction that needed to be covered by change orders and their combined cost will increase the contract in excess of 10 percent over the original contract amount. Per AMC 2.66.040, Council approval is required for any change orders in excess of 10 percent above the originally approved contract amount. However, in order to avoid significant inconveniences to the public and potential environmental damage, it was critical to address the issues immediately in the field. As a result, Council approval of the change order requested in this memo will result in payment to Pacific Excavation for work they have already completed. Following is a description of these issues:

- Lyon Street Water Line Connection (\$9,000): Construction Drawings specified installation of a live tap on the existing water line located at the intersection of Lyon Street and Eighth Avenue. This design was based on utility locates and as-built drawings. Once construction had started and the contractor potholed the connection location it was determined the as-built drawings were incorrect and the connection at Lyon Street and Eighth Avenue would require multiple water line shutdowns and installation of additional pipe, valves, and fittings not included in the original bid item. When this work was authorized its cost of \$9,000 was well under the 10 percent threshold. This connection was necessary to provide water used to

pressure test and disinfect the new water line. Estimated cost for the changed connection at Lyon Street and Baker Street is \$9,000.

- Buried Fuel Tank (\$11,000): During construction a buried fuel (heating oil) tank was discovered on Eighth Avenue between Lyon Street and Baker Street. Discovery of the buried fuel tank required the contractor hire an environmental consultant, provide additional testing, and incur added disposal costs. The contractor had excavated adjacent to the tank and it was evident it was leaking. Although authorizing the work to remove and appropriately dispose of the tank exceeded the 10 percent change order threshold, staff felt it was necessary to provide adequate protection against contamination. Estimated cost related to discovery of the buried tank is \$11,000.
- Asphalt & Surface Restoration (\$9,800): The existing asphalt surface did not hold up well during construction. Potholing was completed during design in several areas and the asphalt thickness noted, but unfortunately the majority of the project took place under asphalt surface and subgrade that was not sufficient to support construction traffic. The buried fuel tank and additional work required at 8th Avenue and Lyon Street also contributed to final quantities of surface restoration being significantly higher than the contract quantity. Estimated cost for the additional surface restoration, which includes removal and replacement of asphalt and sidewalk, is \$9,800.

The estimated changes described above in the amount of \$29,800 contributed to an increase of the original construction contract of \$172,500 that was approved at the August 25th Council meeting by approximately 17.3 percent. Total change orders of \$40,200 result in an increase to the original construction contract by 23.3% to \$212,700.

Summary of Total Estimated Project Costs

Based on the project bid and other related project costs, a summary of the total estimated project cost is shown in the table below. The amounts have been rounded to the nearest \$100.

Project Components	Estimated Cost at Time of Award	Estimated Final Cost
I. Costs		
a. Engineering	\$ 10,000	\$ 15,000
d. Construction Management	\$ 10,000	\$ 30,000
<i>Engineering Subtotal</i>	\$ 20,000	\$ 45,000
II. Construction Costs		
a. Construction Contract	\$ 172,500	\$ 172,500
b. Contingency	\$ 17,300	\$ 40,200
c. Other Construction Costs	\$ 9,000	\$ 9,000
<i>Construction Subtotal</i>	\$ 198,800	\$ 221,700
<i>Total Estimated Project Cost</i>	\$ 218,800	\$ 266,700
<i>Project Budget</i>	\$ 197,000	\$ 197,000
<i>Under/(Over) Project Budget</i>	(\$ 21,800)	(\$ 69,700)

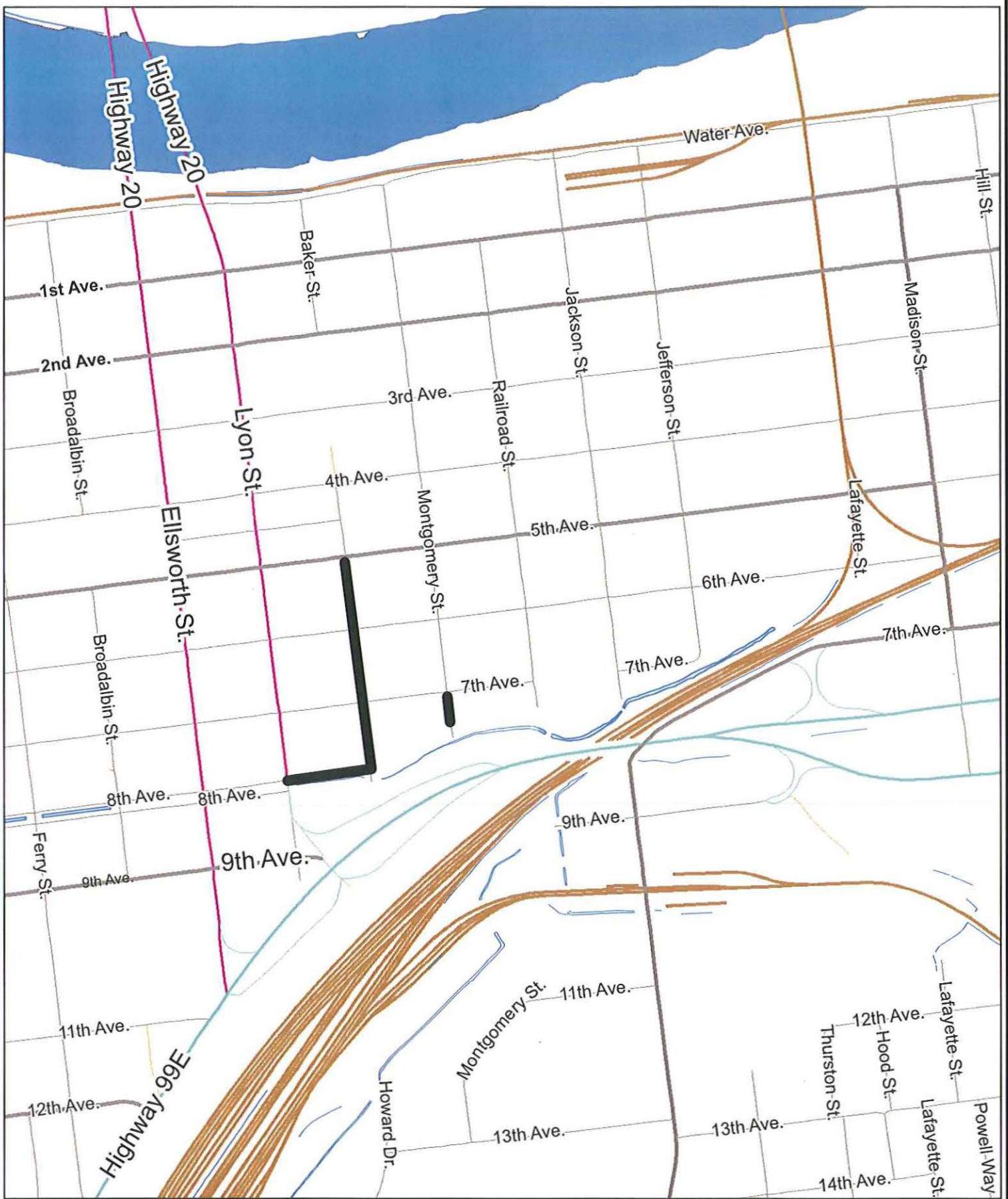
Budget Impact:

The project is estimated to be over budget by approximately \$69,700. This is due in part to the changed conditions described above as well as to additional work added to the project scope required as a result of abandoning the existing water line in the Thurston canal ditch between Lyon and Jackson Streets. The additional costs for this project will be offset by estimated cost savings in excess of \$100,000 that were realized on the following water line projects that were funded from the Water Bond Fund : WL-10-01, Columbus and Denver Water Line; WL-10-02, Columbus Water Line; and WL-10-04, Shortridge Water Line.

This project is funded from the Water Bond Fund.

SLB:kw

Attachment: Vicinity Map



WL-10-03, BAKER STREET WATER LINE - ATTACHMENT 1



The City of Albany's infrastructure records, drawings, and other documents have been gathered over many decades, using differing standards for quality control, documentation, and verification. All the information provided represents current information in a readily available format. While the information provided is generally believed to be accurate, occasionally this information proves to be incorrect, and thus its accuracy is not warranted. Prior to making any property purchases or other investments based in full or in part upon the information provided, it is specifically advised that you independently field verify the information contained within our records.





TO: Albany City Council
FROM: Sharon Konopa, Mayor
DATE: January 21, 2011, for January 27, 2011, City Council Meeting
SUBJECT: Appointments to City Boards, Committees, and Commissions
RELATES TO STRATEGIC PLAN THEME: • An Effective Government

Action Requested:

Council approval of the following appointments to City advisory groups:

Traffic Safety Commission

Cynthia Greene

(Mayor's new appointment)

Discussion:

Recommendations for any remaining vacancies on the City advisory groups will be submitted for approval at subsequent Council meetings.

Budget Impact:

None.

SK:ldh

Attachment



TO: Albany City Council
FROM: Sharon Konopa, Mayor
DATE: January 19, 2011, for January 26, 2011, City Council Meeting
SUBJECT: Appointments to the Council Audit Committee
RELATES TO STRATEGIC PLAN THEME: • An Effective Government

Action Requested:

Council's action filling the two vacant positions for terms that expired December 31, 2010.

Discussion:

Councilors Christman's and Reid's terms on the Audit Committee expired December 31, 2010.

Per Resolution No. 5350 (copy attached) creating the Audit Committee, the Committee shall consist of three serving City Councilors and/or Mayor and one serving member of the Budget Committee.

A copy of the Audit Committee roster ending December 31, 2010, is attached as well as a copy of the Budget Committee roster dated January 19, 2011.

Budget Impact:

None.

SK:ldh
Attachments 3

A RESOLUTION CREATING THE ALBANY AUDIT COMMITTEE

WHEREAS, upon the recommendation of the City Manager, the Albany City Council finds it desirable to create an Audit Committee; and

WHEREAS, the purpose of the Audit Committee will be to aid City staff in the selection of highly qualified City auditors and to assure clear and complete transmittal of audit results to the City Council and the community.

NOW, THEREFORE, BE IT RESOLVED by the Albany City Council as follows:

Section 1: Establishment of City Audit Committee. The Albany Audit Committee is hereby established. The committee shall consist of four voting members, three of whom shall, at the time of their appointment, be serving City Councilors and/or the Mayor, and the fourth shall, at the time of appointment, be a currently serving member of the Albany Budget Committee. The Finance Director of the City of Albany shall serve as a nonvoting, ex officio member of the Committee.

Section 2: Term -- Vacancies. The voting members of the Committee shall be appointed for a two- (2) year term. Terms of appointment shall be staggered so that two (2) positions will become vacant each year. The initial appointees to the Audit Committee are Councilor Jeff Christman, whose term shall expire December 31, 2008, Councilor Sharon Konopa, whose term shall expire December 31, 2007, Councilor Ralph Reid, whose term shall expire December 31, 2008, and (Budget Committee member), whose initial term shall expire December 31, 2007. Appointees serve at the pleasure of the Council and may be replaced with or without cause. Vacancies during any term shall be filled by vote of the Council.

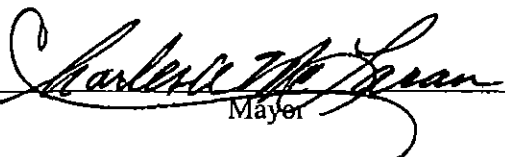
Section 3: Quorum and Rules. Three (3) voting members of the Committee shall constitute a quorum. The vote of three (3) members of the Committee shall be required to take any action. Notwithstanding the foregoing, the Chair of the Audit Committee, or in the Chair's absence the Vice Chair, may establish the date and time of the next Committee meeting.

Section 4: Responsibilities. The responsibilities of the Audit Committee shall be as follows:

1. Review with the Finance Department and/or staff those firms or individuals proposed for appointment as City auditors in succeeding years.
2. Recommend to the City Council of the appointment of those certified public accountants whom the Committee deems best suited to perform the annual City audit.
3. Discuss, as necessary, with the City auditors, any additional or particular areas of inquiry or audit focus which they deem desirable or appropriate.
4. Receive, consider, and transmit to the Albany City Council the results of the annual City audit.

Section 5: Reports. The Audit Committee shall periodically submit copies of the minutes of its meetings to the City Council. Reports or recommendations of the Committee shall be considered advisory in nature and shall not be binding on the Mayor or City Council.

DATED AND EFFECTIVE THIS 15TH DAY OF NOVEMBER 2006.



Mayor

ATTEST:



City Clerk

Audit Committee

Term of Office: 2 years

Name	Business Information	Home Information	Position Information
Jeff Christman Chair <i>Position: Councilor (Ward III-b)</i>	Albany OR 97322 Phone Cell Fax E-mail	3802 Chicago Street SE Albany OR 97322 Phone 541-926-0528 Cell 541-990-7447 Fax E-mail jeff.christman@cityofalbany.net	Original Appointment Date: 10/25/06 Full Consecutive Term: Second Current Position Term Begins: 01/14/09 Expires: 12/31/10
Ralph Reid, Jr. Vice Chair <i>Position: Councilor (Ward II-a)</i>	Albany OR 97322 Phone Cell Fax E-mail	1085 22nd Avenue SE Albany OR 97322 Phone 541-928-7382 Cell Fax E-mail ralph.reid@cityofalbany.net	Original Appointment Date: 10/25/06 Full Consecutive Term: Second Current Position Term Begins: 01/14/09 Expires: 12/31/10
Sue Folden* Ward I <i>Position: Budget Committee Member</i>	Albany OR 97321 Phone Cell Fax E-mail	Albany OR 97321 Phone Cell 541-990-8533 Fax E-mail susanfolden@comcast.net	Original Appointment Date: 11/14/07 Full Consecutive Term: Third Current Position Term Begins: 01/27/10 Expires: 12/31/11
Sharon Konopa <i>Position: Mayor</i>	Albany OR 97322 Phone Cell Fax E-mail	632 35th Avenue SE Albany OR 97322 Phone 541-926-6812 Cell 541-990-4098 Fax E-mail sharon.konopa@cityofalbany.net	Original Appointment Date: 10/25/06 Full Consecutive Term: Third Current Position Term Begins: 01/27/10 Expires: 12/31/11

*By Council action on November 14, 2007, Sue's past participation in past meetings was ratified.

= Not Public Information

- a) meets as necessary
- b) Resolution No. 5350, dated November 15, 2006, established this committee; committee to be comprised of three serving City Councilors and/or the Mayor and one serving Budget Committee Member
- c) appointed by the City Council
- d) staff liaison: N/A
- e) City's Finance Director serves as a nonvoting, ex officio member

Albany Budget Committee (lay members)

ALBANY BUDGET COMMITTEE = Lay members plus City Council members

Term of Office: 3 years

Name	Business Information	Home Information	Position Information
Susan (Sue) Folden Chair Ward I Appointed By: Ward I-b	Phone Cell Fax E-mail	Phone Cell 541-990-8533 Fax E-mail suefolden@comcast.net Albany OR 97321	Original Appointment Date: 01/08/03 Full Consecutive Term: Second Current Position Term Begins: 01/14/09 Expires: 12/31/11
Raymond (Ray) Lusk Ward II Appointed By: Ward II-a	Phone Cell Fax E-mail	Phone Cell Fax E-mail raylusk@thepfeiffercottagcinn.com Albany OR 97321	Original Appointment Date: 01/14/09 Full Consecutive Term: First Current Position Term Begins: 01/14/09 Expires: 12/31/11
Colleen Keller Secretary Ward III Appointed By: Ward III-a	Phone Cell Fax E-mail	3201 18th Avenue SE Albany OR 97322 Phone 541-926-4856 Cell 541-990-1502 Fax E-mail sueccd@aol.com	Original Appointment Date: 01/10/07 Full Consecutive Term: Second Current Position Term Begins: 01/13/10 Expires: 12/31/12
Wendy Kirbey Ward III Appointed By: Ward III-b	Phone Cell Fax E-mail	2135 22nd Place SE Albany OR 97322 Phone 541-704-0259 Cell 541-990-3736 Fax E-mail Kirbey4511@comcast.net	Original Appointment Date: 01/10/07 Full Consecutive Term: Second Current Position Term Begins: 01/13/10 Expires: 12/31/12
Dick Conolly Ward I Appointed By: Mayor	Phone Cell Fax E-mail	1221 Washington Street SW Albany OR 97321 Phone 541-791-7173 Cell 541-981-9903 Fax E-mail rconolly@aol.com	Original Appointment Date: 01/12/11 Full Consecutive Term: First Current Position Term Begins: 01/12/11 Expires: 12/31/13
Bruce Peters Ward II Appointed By: Ward II-b	Betasecd, Inc. 34303 Highway 99E Tangent OR 97389 Phone 541-926-0162 ext.111 Cell Fax 541-928-4405 E-mail bpeters@betasecd.com	1732 Belmont Loop SW Albany OR 97321 Phone Cell 541-979-8565 Fax E-mail	Original Appointment Date: 01/27/10 Full Consecutive Term: First Current Position Term Begins: 01/12/11 Expires: 12/31/13
Michael Thomson Ward I Appointed By: Ward I-a	Phone Cell Fax E-mail	1291 Elm Street SW Albany OR 97321 Phone Cell 541-743-5508 Fax E-mail thomson@myway.com	Original Appointment Date: 01/12/11 Full Consecutive Term: First Current Position Term Begins: 01/12/11 Expires: 12/31/13

= Not public information

a) meets when necessary

b) ORS 294.336 provides for the Budget Committee

c) Resolution No. 3539 provides for appointment procedures. [Must be residents of the city of Albany; Councilors' appointments not required to be from their respective wards.]

d) staff liaison: City Manager Wes Hare, 541-917-7505; or Finance Director Stewart Taylor, 541-917-7521

e) serves as the ARA Budget Committee per Resolution No. 2002-3



TO: Albany City Council
FROM: Sharon Konopa, Mayor
DATE: January 19, 2010, for January 26, 2011, City Council Meeting
SUBJECT: Hospital Facility Authority (HFA)

RELATES TO STRATEGIC PLAN THEME: • An Effective Government

Action Requested:

Council's action filling the two vacant positions as follows:

1. Wendy Kirbey's term that expired December 31, 2010
2. vacancy left by Steve Terjeson, who is no longer on the Budget Committee, with the term expiring December 31, 2011.

Discussion:

ORS 441.535 requires that at least one director be a member of the governing body. By Council policy, the other four members of the HFA are from the Albany Budget Committee. No member can serve more than two consecutive terms.

A copy of the HFA roster ending December 31, 2010, is attached as well as a copy of the Budget Committee roster dated January 19, 2011.

Budget Impact:

None.

SK:ldh
Attachments 2

Hospital Facility Authority of the City of Albany

Board of Directors

Term of Office: 3 years

Name	Business Information	Home Information	Position Information
Wendy Kirbey <i>Ward III</i>	Phone Cell Fax E-mail	2135 22nd Place SE Albany OR 97322	Phone 541-704-0259 Cell 541-990-3736 Fax E-mail Kirbey4511@comcast.net
Ray Lusk <i>Ward I</i>	Phone Cell Fax E-mail	Albany OR 97321	Phone Cell 541-981-0404 Fax E-mail raylusk@thepfeifferortageim.com
Steve Terjeson <i>Ward III</i>	Citizens Bank 275 SW Third Street P.O. Box 30 Corvallis OR 97339 Phone 541-766-2256 Cell Fax E-mail ster@citizensbank.com	3455 Bartley Drive SE Albany OR 97321	Phone 541-926-8128 Cell Fax E-mail terjeson@comcast.net
Bill Coburn (Council representative) <i>Ward II</i>	EC Company 32758 Old Highway 34 P.O. Box 925 Albany OR 97321 Phone 541-926-4266 Cell Fax 541-926-4268 E-mail	6317 Chapman Court SW Albany OR 97321	Phone 541-928-0649 Cell 541-936-0396 Fax E-mail bcoburncc@gmail.com
Colleen Keller <i>Ward III</i>	Phone Cell Fax E-mail	3201 18th Avenue SE Albany OR 97322	Phone 541-926-4856 Cell 541-990-1502 Fax E-mail sueccd@aol.com

= Not public information

- a) meets when necessary
b) created by Albany City Council by Resolution #1900, dated 8/10/77 pursuant to ORS 441.525 to 441.595, Financing of Hospital Construction. Resolution #3143, dated 2/26/92, amended Resolution #1900 so that for terms expiring 7/1/92, 7/1/93, and 7/1/94, new appointments or reappointments shall commence on the date of appointment and will expire December 31 following the three-year appointment. Thereafter, terms shall commence on January 1 or date of appointment and shall expire on December 31 following the three-year appointment. Resolution #5016, dated 8/9/04, clearly defined term limits of new appointments.
c) no member shall serve more than two consecutive terms
d) ORS 441.535 requires that at least one director shall be a member of the governing body (City of Albany)
e) By Council direction (July 12, 2004), four directors shall be lay members of the Albany Budget Committee
f) appointed by the City Council
g) staff liaison: Finance Director Stewart Taylor, 541-917-7521

Albany Budget Committee (lay members)

ALBANY BUDGET COMMITTEE = Lay members plus City Council members

Term of Office: 3 years

Name	Business Information	Home Information	Position Information
Susan (Sue) Folden Chair Ward I Appointed By: Ward I-b	Phone Cell Fax E-mail	Phone Cell 541-990-8533 Fax E-mail suefolden@comcast.net Albany OR 97321	Original Appointment Date: 01/08/03 Full Consecutive Term: Second Current Position Term Begins: 01/14/09 Expires: 12/31/11
Raymond (Ray) Lusk Ward II Appointed By: Ward II-a	Phone Cell Fax E-mail	Phone Cell Fax E-mail raylusk@thepfeiffercottageinn.com Albany OR 97321	Original Appointment Date: 01/14/09 Full Consecutive Term: First Current Position Term Begins: 01/14/09 Expires: 12/31/11
Colleen Keller Secretary Ward III Appointed By: Ward III-a	Phone Cell Fax E-mail	3201 18th Avenue SE Albany OR 97322 Phone 541-926-4856 Cell 541-990-1502 Fax E-mail sueccd@aol.com	Original Appointment Date: 01/10/07 Full Consecutive Term: Second Current Position Term Begins: 01/13/10 Expires: 12/31/12
Wendy Kirbey Ward III Appointed By: Ward III-b	Phone Cell Fax E-mail	2135 22nd Place SE Albany OR 97322 Phone 541-704-0259 Cell 541-990-3736 Fax E-mail Kirbey4511@comcast.net	Original Appointment Date: 01/10/07 Full Consecutive Term: Second Current Position Term Begins: 01/13/10 Expires: 12/31/12
Dick Conolly Ward I Appointed By: Mayor	Phone Cell Fax E-mail	1221 Washington Street SW Albany OR 97321 Phone 541-791-7173 Cell 541-981-9903 Fax E-mail rconolly@aol.com	Original Appointment Date: 01/12/11 Full Consecutive Term: First Current Position Term Begins: 01/12/11 Expires: 12/31/13
Bruce Peters Ward II Appointed By: Ward II-b	Betaseed, Inc. 34303 Highway 99E Tangent OR 97389 Phone 541-926-0162 ext.111 Cell Fax 541-928-4405 E-mail bpeters@betaseed.com	1732 Belmont Loop SW Albany OR 97321 Phone Cell 541-979-8565 Fax E-mail	Original Appointment Date: 01/27/10 Full Consecutive Term: First Current Position Term Begins: 01/12/11 Expires: 12/31/13
Michael Thomson Ward I Appointed By: Ward I-a	Phone Cell Fax E-mail	1291 Elm Street SW Albany OR 97321 Phone Cell 541-743-5508 Fax E-mail thomson@myway.com	Original Appointment Date: 01/12/11 Full Consecutive Term: First Current Position Term Begins: 01/12/11 Expires: 12/31/13

= Not public information

- a) meets when necessary
- b) ORS 294.336 provides for the Budget Committee
- c) Resolution No. 3539 provides for appointment procedures. [Must be residents of the city of Albany; Councilors' appointments not required to be from their respective wards.]
- d) Staff liaison: City Manager Wes Hare, 541-917-7505; or Finance Director Stewart Taylor, 541-917-7521
- e) Operates as the ARA Budget Committee per Resolution No. 2002-3



TO: Albany City Council
VIA: Jeff Christman, Council Audit Committee Chair
Wes Hare, City Manager
FROM: Stewart Taylor, Finance Director *ST*
DATE: January 18, 2011 for the January 26, 2011, City Council Meeting
SUBJECT: 2009-2010 Audit Report and Management Letter
RELATES TO STRATEGIC PLAN THEME: • An Effective Government

Action Requested:

Accept the audit report and management letter for the audit of the City's financial statements and procedures for fiscal year ending June 30, 2010.

Discussion:

Brad Bingenheimer from the certified public accounting firm of Boldt, Carlisle & Smith, LLC, presented the audit report and management letter to the Council Audit Committee on January 13, 2011. The report expressed the opinion that the financial statements present fairly, in all material respects, the respective financial position of the City of Albany in conformity with accounting principles generally accepted in the United States of America.

Brad also discussed the management letter dated December 10, 2010, which includes additional information related to the audit. The letter identified three opportunities for the City to strengthen internal controls and operating efficiency. The first was in the accounting for grants. The letter suggests that the City implement a process for creating a receivable when grant reimbursements are requested and create a centralized location for all grant related documents. The second opportunity was in the use of digital archives. The letter suggests that the City coordinate the use of digital libraries between departments and centralize control of the process. The third opportunity was in the tools used to generate the Comprehensive Annual Financial Report. The letter suggests that the spreadsheets be modified to eliminate rounding differences and inconsistencies within the financial statements.

City management welcomes the comments and the opportunity to strengthen internal controls and operating efficiency. The steps that will be taken to address the three issues are outlined in the management response letter dated January 5, 2011, attached to this report.

City management expresses appreciation to Brad and his team for their hard work in conducting the annual audit and in working with management to improve financial controls and efficiencies.

Budget Impact:

None.

ST

Attachments:

- Management Letter
- Management Response
- Independent Auditor's Report



BOLDT, CARLISLE & SMITH LLC

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERSHIP ■ ASSURANCE ■ INNOVATION

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the City Council
CITY OF ALBANY
Albany, Oregon

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of **CITY OF ALBANY** as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **CITY OF ALBANY**, as of June 30, 2010, the respective changes in financial position, and cash flows, where applicable, thereof, and the respective budgetary comparisons for the General, Parks and Recreation, Risk Management, and Street Funds, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2010, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

INDEPENDENT AUDITOR'S REPORT (Continued)

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 14 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The supplementary data is presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The supplementary data and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Boldt, Carlisle & Smith, LLC

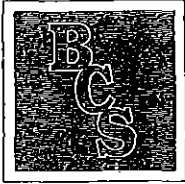
Certified Public Accountants

Salem, Oregon

December 10, 2010

By: 

Douglas C. Parham, Member



BOLDT, CARLISLE & SMITH LLC

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERSHIP ■ ASSURANCE ■ INNOVATION

CITY OF ALBANY
333 Broadalbin SW
Albany, OR 97321

In planning and performing our audit of the financial statements of the CITY OF ALBANY as of and for the year ended June 30, 2010, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness on the City's internal control.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. Below are our comments and suggestions regarding those matters. We previously reported on the District's internal control in our report dated December 10, 2010. This letter does not affect our report dated December 10, 2010, on the financial statements of the CITY OF ALBANY.

1. The accounting for the Grants Fund of the City has some short comings. Almost all the grant programs of the City operate on a reimbursement basis whereby expenditures are made and subsequently grant reimbursement is requested. The accounting procedures for these programs has no mechanism for recording a receivable when the reimbursement is requested, there is no centralized monitoring to ensure that grant reimbursements are being requested in a timely manner, and there is no centralized and consistent filing of grant documents (awards, agreements and reports). We recommend that the City implement processes to identify all grant programs of the City, provide for centralized monitoring to ensure reimbursements are made in a timely manner, and create a centralized location for all grant related documents.
2. The City has implemented a paperless archive of documents using the laserfiche system. While conducting our audit we discovered that the process to find a particular document in this archive can be difficult and requires City personnel to access another system that provides the reference to locating a document. We also noted that different departments will have different libraries of documents, however there are instances of documents being duplicated between these libraries. Additionally, there is no centralized control over what is archived and no centralized control to ensure that everything that should be archived has been archived.

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STAYTON: 408 NORTH THIRD AVENUE ■ STAYTON, OR 97383 ■ PHONE: (503) 769-2186 ■ FAX: (503) 769-4312

ALBANY: 321 1st AVENUE E STE 2A ■ ALBANY, OR 97321 ■ PHONE: (541) 928-6500 ■ FAX: (541) 928-6501

3. The Comprehensive Annual Financial Report (CAFR) of the City is prepared by the Finance Department using a series of Excel spreadsheets which utilize data from the City's general ledger, make modifications, and finally arrive at the final statement balances. Our review of the City's CAFR noted a large number of rounding differences and inconsistencies within the financial statements. Additionally, it was noted that the preparation of the CAFR required adjustments that are not incorporated into the City's accounting system.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various City personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Sincerely,

Boldt, Carlisle & Smith, LLC

Certified Public Accountants
Salem, Oregon
December 10, 2010



January 5, 2011

Brad Bingenheimer, CPA
Boldt, Carlisle & Smith, LLC
480 Church Street SE
Salém, OR 97301

Dear Brad:

MANAGEMENT RESPONSE

The purpose of this letter is to provide management's response to the items identified in the management letter to be presented, together with the audit report, to the Council Audit Committee on January 13, 2011. Your report and presentation are appreciated and help to strengthen the internal controls and efficiencies of the City's financial operations.

Accounting for Receivables in the Grants Fund

Management's practice has been to create a receivable only for requests for payments that were outstanding as of June 30. Management recognizes that the recommended practice of recording the receivable concurrent with timely reimbursement requests throughout the year creates greater internal control and documentation. However, the practice is difficult to implement without a fully centralized grants coordinator function. Staffing constraints limit management's ability to create a fully centralized grants coordinator position. However, management will identify ways to better document and test controls that establish the recorder's office as the central repository for grant awards and contracts, and place accountability with operating departments for timely management and documentation of grant activity in department project files.

Digital Archives

The City's Digital Image as Original (DIO) policy and our Records and Information Management (RIM) policies and procedures have been approved by the State Archives Division and have been recognized as model programs by the American Public Works Association in the recent accreditation of the Public Works Department. Management will modify the DIO and RIM procedures to better address the issues of duplication between libraries, uniformity of directories, and control of documents included in the archive.

Inconsistencies and Adjustments to the Financial Statements

The series of Excel spreadsheets used to prepare the Comprehensive Annual Financial Report has evolved over the past thirty plus years. The rounding differences and inconsistencies inherent in the spreadsheets have become apparent due to turnover in a key position in the Finance Department. Management concurs with the need to reevaluate the spreadsheets and the flow of information to more accurately and consistently arrive at the final statement balances. Steps will be taken during the next

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333 Broadalbin Street SW
P.O. Box 490
Albany, OR 97321-0144
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541-917-7500

**CITY MANAGER/
ECONOMIC DEVELOPMENT/
URBAN RENEWAL**
541-917-7500
FAX 541-917-7511

FINANCE
Finance/Recorder
541-917-7500
FAX 541-917-7511

Municipal Court
541-917-7740
FAX 541-917-7748

**COMMUNITY
DEVELOPMENT**
Planning
541-917-7550
FAX 541-917-7598

Building Division
541-917-7553
FAX 541-917-7598

FIRE ADMINISTRATION
541-917-7700
FAX 541-917-7716

HUMAN RESOURCES
541-917-7500
FAX 541-704-2324

INFORMATION TECHNOLOGY
221 Third Avenue SW
541-917-7500
FAX 541-791-0075

PUBLIC WORKS
Engineering
541-917-7676
FAX 541-917-7573

Water/Sewer Billing
541-917-7547
FAX 541-917-7794

Call-A-Ride
541-917-7770
FAX 541-812-2571
TDD 541-917-7762

Transit
541-917-7667
FAX 541-812-2571

Management Response

Page 2

January 5, 2011



CITY HALL

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FAX 541-917-7748

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FAX 541-917-7598

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541-917-7700
FAX 541-917-7716

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FAX 541-704-2324

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TDD 541-917-7762

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541-917-7667
FAX 541-812-2571

year and particularly at the beginning of the next reporting cycle to modify the spreadsheets to achieve a cleaner and more efficient process.

Thank you again for your participation with our Audit Committee and for your desire to assist us in improving the internal controls and financial reporting for the City of Albany.

Sincerely,

A handwritten signature in black ink, appearing to read "Stewart Taylor", written in a cursive style.

Stewart Taylor
Finance Director

ST

Attachment: Management Letter from Boldt, Carlisle & Smith, LLC
c: Wes Hare, City Manager



TO: Albany City Council
VIA: Wes Hare, City Manager
FROM: Marilyn Smith, Management Assistant/Public Information Officer
DATE: January 19, 2011, for the January 26, 2011, City Council Meeting
SUBJECT: Code Enforcement Team Second Quarter Report, Fiscal Year 2010-2011

RELATES TO STRATEGIC PLAN THEME:

- Great Neighborhoods
- A Safe City
- An Effective Government

The Code Enforcement Team focused most of its efforts on two issues in the second quarter of this fiscal year: Review of Chapter 7.84 of the Albany Municipal Code regarding keeping junk and locating and securing properties vulnerable to arson.

The junk ordinance was challenged by residents of the Draperville area after they were contacted by Police Community Resource Officers during a neighborhood education effort in August. Members of the Community Resource Unit and the City Attorney gave a presentation to the City Council at the November 15, 2010, work session, explaining their job duties and providing examples of junk and trash complaints they have investigated in recent years. The presentation included some of the Draperville properties. The ordinance, in place since 1995, remains unchanged.

Update: By early January, four of the Draperville addresses were in compliance with the code, and ten cases remained open. Two properties improved markedly during the quarter; one property is listed for sale; and the occupant of another property is cooperating and doing cleanup.

Members of the Team had created a list of vacant properties in Albany over the last few years, but that effort became intentional last quarter when three properties on the list were damaged by arson. Police, Fire, and Building Division staff hosted a community meeting on December 6, 2010, to bring Neighborhood Watch leaders and other interested citizens up-to-date on the growing list of arson fires, provide suggestions for how they could watch for and prevent similar incidents in their neighborhoods, and appeal for community help in locating and securing vacant buildings since those had been the most frequent arson targets.

As of January 5, 2011, Neighborhood Watch members, City staff, and other citizens had nearly doubled the number of vacant properties on the list. One hundred fifty-two properties had been identified as vacant or abandoned; of that number, 45 were confirmed as being in foreclosure. Of the 152 properties reported as vacant, 103 were confirmed as empty. City staff have contacted owners or others who are responsible for the vacant properties and 52 of the buildings have since been secured. Forty other properties have been assessed secure by City staff, and another 19 properties originally reported as vacant were confirmed as currently occupied and have been removed from the list. Neighborhood Watch members, City staff, and other citizens nearly doubled the number of vacant properties on a list maintained by the City. Today, 152 properties have been identified as vacant or abandoned; of that number, 45 have been confirmed as being in foreclosure. Additional properties are reported daily.

As reported last quarter, the team has Linn County Circuit Court judgments on properties at 337 Sixth Avenue SE and 1250 Shortridge Street SE, giving the City authority to demolish the buildings and clean up the sites. Staff believes the Sixth Avenue property poses the greatest danger to the public and is working on an action plan.

Twenty new complaints were reported this quarter, 21 cases were closed, and 104 remained open as of December 31, 2010. With the start of this fiscal year, the Team's reports became shorter and reserved for issues or specific cases that require the attention of the full team rather than specific departments. We're happy to provide detail on other cases when asked.

Some outstanding issues from earlier reports:

- Woodland Square, 1415 Salem Avenue SE (ongoing) – Thirty-nine residents of the neighborhood around this deteriorating mobile home park delivered a petition to City Hall on September 28, 2010, alleging that many of the structures are unsafe, possibly uninhabitable, and unsightly, degrading property values. Investigation continues though currently delayed by the vacant-properties' effort.
- ARCO station, 3110 Pacific Boulevard SE (July 20, 2009; reopened March 15, 2010) – The property remains abandoned, boarded up, and surrounded by ungroomed landscaping and dead weeds. During the arson investigations, the security fence disappeared from the perimeter of the property. Staff contacted BP officials in California, and the fence was replaced without explanation.

Budget Impact:

Beginning budget	\$20,900.00
Expenditures as of September 30, 2010	<u>2,933.55</u>
	\$17,966.45

MMS:de