

CITY OF ALBANY  
CITY COUNCIL (WORK SESSION)  
Municipal Court Room  
Monday, March 21, 2011  
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, Jeff Christman, Bill Coburn, Floyd Collins, Bessie Johnson, and Ralph Reid, Jr.

Councilors absent: None.

**BUSINESS FROM THE PUBLIC**

There was no business from the public.

**AMERICAN LEGION REQUEST FOR PUBLIC WATER LINE**

Assistant Public Works Director/City Engineer Mark Shepard is seeking direction for funding a public water main that serves the American Legion property, on Sherman Street between Seventh Avenue and Pacific Boulevard. The American Legion has been working to rebuild after a fire destroyed their building last summer. A challenge they face is that the redevelopment must meet all standards of existing City codes and requirements.

The Development Code requires that public utilities are extended along the frontage and fire protection standards need to be met for the building. The Legion has asked for assistance from the City in the cost of the water line. In recognition for what services the Legion provides for the community, staff proposes that the City use Water Connection Fees to construct the public water main. The Legion would then pay a Connection Fee based on the length of the property's frontage adjacent to the waterline.

Fire Marshal Mike Trabue described where the fire hydrants are located in that area and how they impacted the fire at the Legion. The area is deficient for fire hydrants.

Councilor Floyd Collins described where the fire hydrants are located based on his research with Public Works staff. The City's system is fire flow deficient along 9<sup>th</sup> Avenue and 7<sup>th</sup> Avenue. Collins thought the City had funding to reinforce the number of hydrants as part of taking over the Pacific Power & Light lines, but they did not. This is the culmination of not being able to complete that.

Shepard said the proposal would be to put in a 12" water line and some hydrants in the area. Collins supports the request.

Public Works Director Diane Taniguchi-Dennis agreed that the area is deficient and the Fire Department noticed that during the fire incident. This water line is necessary and has been for a long time. This particular financing tool has been used in other projects for the same reasons.

Councilor Ralph Reid Jr. is concerned that this is a private, members-only facility. Pacific Boulevard is a major thoroughfare through town. He doesn't see the Legion being a drawing factor for the community and doesn't agree with using prime commercial property for a members-only service.

Councilor Bessie Johnson feels that the Legion does a lot for the community so we should support their request, especially since the fire service in that area is inadequate.

Councilor Bill Coburn said the water line would allow improved fire fighting for the other properties too. Trabue agreed, and said that the Legion's fire just brought the deficiency to light; the line would be beneficial to all properties in the area.

**MOTION:** Collins moved to approve the funding, in concept, as presented in the staff report, and approve the resolution as a walk in item at the March 23, 2011, Regular Session. Coburn seconded the motion and it passed 6-0.

**COPIER CONTRACT EXTENSION**

Information Technology Director Jorge Salinas said the City has a four year contract that expires on April 15, 2011. It covers 25 copiers. The City is going through a Request for Proposal (RFP) process that will be completed in June.

In the meantime they need to extend the current contract on a month by month basis to cover the gap in service. Salinas described the timeline as outlined in the staff memo.

Salinas said this lease provides support maintenance, toner, and on-call service. The average cost is \$125 per copier, each month, or an average of \$3,125 a month, plus the price for copies.

Collins asked if copiers are available through the state pricing agreement. Salinas said yes, but they still want to use the RFP process because they may be able to get even better pricing. If the RFPs come in higher than the state's price, they can pull the RFP and use the state's agreement instead.

Councilor Dick Olsen asked if the City could save money by extending the current lease each month, and not doing a RFP. Salinas said it is better to check prices every four years, since the price of hardware generally goes down.

Finance Director Stewart Taylor said the copiers are part of the City's network since they are used as printers too. There is interest from a number of vendors.

This item will be on the Consent Calendar for the March 23, 2011, Regular Session.

### FACILITIES FUNDING PROPOSAL

Councilor Jeff Christman said that he agrees that taking a look at what is needed for Police and Fire facilities is a good exercise, but if the Council is serious about the Downtown Fire Station and building a new Police Station, they need to decide how to finance it. He has prepared a spreadsheet that represents one proposal for how it could be done, and hopefully it will get the discussion going.

Christman reviewed the spreadsheet in the agenda packet.

Christman pointed out that his spreadsheet does not show interest earned or interest being paid on the internal loan. He is assuming they would be a wash. At the end of ten years, there would be \$13 million worth of public facilities and \$110,000 left over in the PepsiCo settlement proceeds.

Taylor explained that the East Thornton Lake Natural Area (ETLNA) amount of \$1 million has been paid and additional funds are committed to become the backstop for funding that project in the event the grants are not successful.

Christman pointed out that using Central Albany Revitalization Agency (CARA) funds would mean that they would have to use the existing site of Station 11 for a fire facility.

Urban Renewal Manager Kate Porsche said that from her perspective, there is a bonus in keeping the Fire Station in the core downtown, especially if the fire museum is brought downtown. It could be a draw, not just a public service. But the Urban Renewal Plan doesn't include a fire station as a specific project, and public buildings have to be clearly defined in the Plan. The City would have to prove that proportionally, the project belongs in the district. The agency could spend \$500,000 or less without amending the Plan, but to spend more than that would require a full amendment which is a very extensive process that includes public noticing. Also, other projects would have to be removed from the Plan in order to fund a new project, such as the fire station. Porsche pointed out that at a higher level there is political pushback at the state to urban renewal being used for public buildings. Using urban renewal funds towards a public building means there is no tax increment from that particular property. Porsche cautioned that if the City were to proceed, there may be pushback from other areas outside of Albany.

Taylor spoke about the idea of using the Timber Ridge Local Improvement District (LID) as a funding mechanism. There is a difference in the lending rate for external loans and the lesser amount charged for internal loans. CARA has a line of credit for \$3 million which the City will take out in about a year from now, and could be considered for an external loan. Discussion followed.

Johnson appreciates that Christman is thinking outside of the box. Even if they can't build Police and Fire facilities now, she thinks it is important to keep them in the Council's sights.

Olsen thinks the issue of building facilities should go to the voters, but given the economy he doesn't think it is worth it. Olsen said it would be helpful to know how many dollars per \$1,000 it takes to raise \$1 million so the Council would know if the time it takes to pay it back is reasonable. Taylor said that infrastructure usually takes 15-20 years to pay off. Discussion followed about taking a portion to the voters for funding.

Reid strongly favors doing something to get the voters involved in the discussion.

There was discussion about when to take the Public Safety renewal levy to the voters. It expires June of 2013; there will be four opportunities between now and its expiration date to put it on the ballot.

## TRANSIENT ROOM TAX TASK FORCE REPORT

Coburn said he did some research into how this Task Force evolved. He reviewed a set of Budget Committee Work Session minutes. He said it started with the Albany Visitors Association (AVA) wanting more money. Coburn said he made a motion and Johnson seconded it. There was discussion earlier in that meeting about forming a work group per Konopa's suggestion, but Coburn said he didn't anticipate that a budget group with power to make decisions would be formed. He is bothered that non-profits that would receive the money are members of the Task Force. He also does not like that there are new programs. There may be some duplication of services. He asked, if there are some new ideas or concepts, could they be taken on by different groups? Coburn said that Christman brought up an important issue at the last meeting, by pointing out number 2 under Section V. It says that Existing Programs would maintain or grow at 3%, yet there was no provision for what would happen if there was a decrease in revenues. He said he doesn't like the whole concept. He prefers the old way in which the Budget Committee considered the non-profits directly. It was a more diversified group and he enjoyed the presentations by the non-profits.

Konopa pointed out that Section V. is titled Guidelines for Reserve Account; so by default, if the Reserve Account balance were zero, number 2 wouldn't apply anyway. In that scenario the Task Force would come back with a plan. She reminded the Council that they approved this Task Force several months ago. The idea was to have the agencies that are most knowledgeable about tourism collaborate about all the promotion ideas. Decisions had to be made about how to spend the TRT because there wasn't enough to fund them all.

Konopa does not agree with going back to the way it was. It was a very tedious process with several long meetings, with presentations from several other agencies – more agencies than are listed in this policy. It was very difficult for the Budget Committee because it took so much time and energy to get through the non-profits before they were able to get to the other City functions. That is why having a policy to outline what amount will be spent on tourism, and delegates the folks that really know the tourism business to make recommendations, is so much more efficient. For Budget Committee members that attend just two or three meetings a year, to know what is or isn't a viable tourism idea isn't possible. It also gives the agencies the ability to focus on their programs, rather than coming to the City every year to defend their funding. This policy is good for staff and the agencies. She does not support going back to the way it was because it was inefficient.

Christman asked if the TRT Task Force meetings will be open to the public and have minutes. Konopa said yes. Christman said the policy is unclear about how decisions get made for new programs. Konopa said they can add, under Collaborative Tourism Promotion, that new programs have to go to the Council.

Collins asked, what is the timeframe if a new event wanted funding, if the Task Force meets every six months? Konopa said the Task Force could convene earlier than that to make a recommendation and bring it to the Council for a decision. Collins said that doing so would accommodate long-term funding but also address new events. Konopa said that many of those events approach the outside agencies first, so they would likely be aware of them anyway.

Reid recalled that after the Budget Committee made their decisions, there was a continuous stream of folks coming to the Council asking for money throughout the remainder of the year. He is reluctant to go back to the old system, as Coburn suggested. If we allow them to come to the Council for funding after the Budget Committee has already made a decision, then why have a Budget Committee? They are left out entirely of subsequent decisions.

Christman asked, how do new agencies get on the list and how do current ones get dropped if they are not performing? Taylor said the Task Force could meet more often than six months and bring their recommendation to the Council.

Konopa said that another benefit is that the Task Force could deal with small requests, such as \$1,000, without tying up the Council's and staff's time.

Discussion followed about whether the state statute addresses if the calculations are based on the gross or net revenues. Collins wants to be clear on how it is calculated.

Coburn said that he thought they were forming an advisory group; he thinks the Task Force has gone beyond that scope because they have been empowered to spend money outside of the Budget Committee or the Council's control.

Johnson doesn't feel comfortable with guaranteeing certain agencies money when the City is in dire financial straits. She thinks there are pieces missing before this policy can be put into place.

Christman suggested that the intent of the Committee needs to be incorporated into the policy. For example, it should describe how meetings will work. He also thinks Section V should be deleted entirely and it should be stated that funds will be allocated by percentages, in order to account for fluctuations in the revenues. He understands that this makes it difficult for agencies to budget long-term, but that is how it should be. Discussion followed about if it is fair for established agencies to take a hit when the funds are low. Christman pointed out that the business world is making cuts to wages and benefits too, so he doesn't see a problem with these agencies doing the same.

Konopa reminded the Council that these agencies can do more for less, because they can promote tourism more cost effectively than the City could. They have been established for several years, so why should new programs continue when they might take a hit? Christman said whether it is fair or not, it could be a reality based on the economy.

Olsen pointed out that the reserve account allows for their revenue flow to be stable instead of up and down. They would still get the same amount of money, it would just be allocated in a more regular manner.

Christman is concerned that the policy is not clear and it needs to be, so that a future Council understands it.

Taniguchi-Dennis said there seems to be a fundamental disagreement on what type of group it should be. It could be an independent decision-making body, or an advisory group that reports their actions to the Council. If the Council could decide what type of group they want, then staff could help to finesse the details.

Reid said the difference between the established agencies and the new programs is that the agencies have staff; whereas programs can just be dropped. The Reserve Account was an attempt to give those entities that have personnel costs associated with the service they provide, a way to stabilize their revenue stream.

Johnson suggested that consolidating the AVA and Albany Downtown Association (ADA) may be an option given the economy.

Collins made specific suggestions for changes. He has experienced the Council arguing over TRT revenue for nine years, so why not try something new? We can always rescind the policy if it doesn't work, but he wants to at least try.

Konopa will work with staff to further revise the policy and bring it to a future Work Session.

#### COUNCILOR COMMENTS

Collins thanked the Council and staff for attending the ceremony held in memory of his daughter, Jessica Ramey, at Gibson Hill Park. A Starlight Dogwood tree was planted in her memory. Collins also thanked the Council and staff for their support during her illness.

#### CITY MANAGER PRO-TEM REPORT

There was no report.

#### ADJOURNMENT

There being no further business, the Work Session adjourned at 6:08 p.m.

Respectfully submitted,

Mary A. Dibble, MMC  
Deputy City Clerk

Reviewed by,

Stewart Taylor  
Finance Director