

CITY OF ALBANY  
CITY COUNCIL (WORK SESSION)  
Municipal Court Room  
Monday, May 23, 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.

**ARSON INVESTIGATION REPORT**

Konopa said this item isn't actually a report; it is to give recognition to the arson investigators. Fire Chief John Bradner explained that there is a post investigative analysis of the arsons that happened from October to December 2010 going on now in the Council Chambers. The City Council left the Municipal Court Room and moved into the Council Chambers.

Albany Police Captain Eric Carter, the Mayor, and Bradner presented Certificates of Appreciation to the following for their participation in the arson investigation:

- Oregon State Police
  - Detective Howard Greer
  - Detective Ray Downey
  - Detective Douglas Larson
- Oregon State Police Crime Lab
  - Jennifer Riedell
  - Darrell Hall
  - Daniel Peterson
- Office of the Oregon State Fire Marshal
  - George Crosiar
- Bureau of Alcohol, Tobacco, Firearms and Explosives
  - Senior Special Agent John Comery
  - Senior Special Agent Mike Meadows
  - Resident Agent in Charge Colleen Domenech
  - Special Agent James Panos
  - Special Agent Aaron Woods
  - Special Agent Aaron Yoh
  - Special Agent Roland Jacobs
  - Special Agent Jay Brown
  - Special Agent Tony Schdowski
  - Crime Analyst Christie Goldsmith
- Portland Fire and Rescue
  - Lieutenant Fabian Jackson and dog Lila
- Linn County District Attorney's Office
  - Senior Deputy District Attorney George Eder
  - Legal Assistant Brandi Earnest
- Corvallis Fire Department
  - Fire Marshal Jeff Prechel
  - Deputy Fire Marshal Jim Patton
  - Deputy Fire Marshal Carla Pusateri
  - Firefighter Rory Loveland
  - Firefighter Jonathon Elliott
  - Firefighter Daniel Tate
  - Firefighter Jacob Baker

- Linn County Sheriff's Office
  - Detective Josh Moyes
  - Detective Sally Jo Donohue
- Lebanon Fire District
  - Chief Dan Woodson
  - Firefighter Russell Duerr
- Scio Fire District
  - Chief Rich LaBelle
- City of Albany Building Division
  - Building Official Melanie Adams
  - Code Compliance Inspector Mary Gaeta
  - Code Compliance Inspector Meghan Lewis

The City Council returned to the Municipal Court Room at 4:12 p.m.

#### ALLIED WASTE RATE PROPOSAL

Allied Waste (AW) General Manager Mike Huycke and Division Manager Kevin Hines said the memo in the Council packet describes a multi-year plan that moves towards a Consumer Price Index (CPI) based rate structure. This rate schedule would eliminate the need for AW to repeat the process of coming to the Council regarding rates every 18 months, and would also serve to keep Albany's rates competitive.

Huycke said the structure proposes a three-tier price increase. The first would be July 1, 2011, for 9%; the second would be July 2012 for 4% percent; and finally an increase based on the CPI in January 2013. Huycke explained that before they get to the CPI they have to get the base level of profitability up to a reasonable level. In the past it has been 7- 9% but over the course of several years, with the economy, it has been 5-6 %. If AW does not do a price increase in 2011, with the spike in gas costs, it will drop to 2.8%.

Huycke explained why they think the proposed rate structure is reasonable. He pointed out that they carry risk with how much time their vehicles are on the road and how just one accident can eat up the profits. They have \$2.5 million in reserve for this and if there were an accident, even if it is not AW's fault, they would still have to defend themselves.

Councilor Dick Olsen asked, is AW self- insured? Huycke said yes. Olsen asked, do most waste companies do that? Huycke said they are in a high-risk business but AW outperforms the norm, so they are self-insured.

Councilor Bessie Johnson asked how many customers are using the food-waste recycling program. Hines said they have about six commercial customers in Albany so they are doing it on a pilot program. The customers have asked for carts with more volume. They are mostly for restaurants and cafeteria uses. It is a commercial-based program.

Huycke explained that AW can control operational costs such as management of trucks, facilities, and people; but they cannot control the cost of gas. They review numbers weekly to see if they are meeting productivity levels. Unfortunately they do not have a mechanism to offset the increased cost of doing business.

Councilor Bill Coburn said that other utilities are controlled by the Public Utility Commission (PUC). He asked, could we use them as an example of a reasonable margin of profit? Councilor Floyd Collins said that he had asked that question and found out that it is not unusual for the PUC to allow a 12% profit, but it can also be as low as 3-5%; and more recently, it was 8%. Huycke said other waste haulers are in the 8-12% range. AW has been in the lower range.

City Manager Wes Hare said that more typically Oregon cities look at cost and quality of service rather than the rate of return. City staff has looked at AW's rates and quality of service compared to other communities in the region and Hare agrees that AW rates are competitive and their numbers are accurate. In his review he found that AW rates are consistent with what is happening in other locations.

Collins noted that the last increase was in 2009 for 4%. He asked, what would the increase have looked like if the 2009 rate had been indexed according to the CPI each year, compared to the 9.4% increase AW is asking for today? Huycke will get that information for him.

Collins asked, leaf pickup would not be a separate increase, correct? Hines said that is correct.

Coburn asked why Tangent's rates are higher than Albany's rates. Hines said it is a longer drive to the landfill and also Tangent is largely residential without a strong commercial presence. Those two pieces drive their cost.

Johnson is not comfortable with the rates being tied to the CPI since it could mean a rate increase each year. Hare explained that it is just one of three components and the rates could actually go down. Hines agreed with Hare. Hines

added that AW is aware that 9% is a big increase but he pointed out that the rates have not increased since 2009 and fuel and operations are the biggest costs.

Coburn said he finds it hard to explain to the public why AW needs an increase, when the newspaper story said that it was to increase their bottom line. It is not unreasonable to make a profit but it is difficult to put it on the City Council to determine how much the profit should be. He would not support a 9% increase. He understands the business side of it, but he is also a rate payer.

Collins asked, is it typical to count depreciation as an operating cost? Discussion followed regarding depreciation.

Johnson asked, does the same company that owns AW also own Coffin Butte Landfill? Huycke said yes. She asked, can the price be negotiated? Huycke said that the landfill sets the rate. He said that in the next few months they will be spending \$6 million for a new cell that has adequate air space and will last for two years.

Olsen asked, does someone regulate what Coffin Butte charges? Huycke said no, but if you look to the south the cost is almost twice. Marion County is almost twice too, so Coffin Butte is very competitive.

Huycke said AW works hard at being community players. Even in the economic downturn they have participated in community events. They want to put together a pricing structure that makes good sense for everyone.

Public Information Officer/Management Assistant Marilyn Smith said that AW continues to partner with the City on the Big-Pick-Up each year. The event would not be as successful as it is without AW's contribution.

The rate discussion will come back to another Work Session.

#### BUSINESS FROM THE PUBLIC

There was no business from the public.

#### AIRPORT MASTER PLAN UPDATE

Airport & Transit Manager Chris Bailey said the Airport Commission is trying to figure out how to increase revenues. They want to ask the Federal Aviation Association (FAA) to create a new approach to the Airport that would be more precise and deliver the airplanes lower in cloudy weather rather than them having to land somewhere else. In order to do this the City first needs to rescind a letter dated April 29, 1996, from former City Manager Steve Bryant to the FAA. Also the FAA will not develop an approach or fund such a project unless there is an Airport Master Plan update that answers the question of whether or not it is feasible for it to be created. The update is currently scheduled for 2016 but Bailey would like to move it up sooner to answer this and other questions. Bailey said the update is eligible for FAA funding at 95% and the Transient Lodging Tax (TLT) revenues could pay the other 5%.

Hare said he called Bryant to ask why the letter was written. Bryant didn't remember exactly but he thought it may have had something to do with limitation to the development of the fairgrounds. Hare said a Master Plan would reveal what any limitations might be.

Public Works Director Diane Taniguchi-Dennis said the Master Plan would identify the technical issues with the approaches. There also needs to be an update to the Comprehensive Plan. She said, it is a long process but to start we need to say to the FAA that Albany is interested.

MOTION: Councilor Ralph Reid Jr. moved to direct City staff to rescind the 1996 letter to the Federal Aviation Administration (FAA) and request assistance for discovery of a possible Instrument Landing System (ILS) at the Airport and Johnson seconded it.

Bailey said the Master Plan will be able to address more than just the approach.

Collins wants it to be the best Airport possible, but there may have major constraints with I-5 on the north and south, and local zoning questions.

VOTE: A vote was taken on the motion and it passed 6-0.

Taniguchi-Dennis said staff will work with the Airport Commission and let them form a recommendation which will come to the City Council.

Reid said that the property on the south end needs to be mowed.

Bailey said another item to address is stabilizing land use rates. The FAA guidelines for land lease rates have to be fair and equitable but Albany's vary; so we are not in compliance. Bailey said they plan to hold the highest lease holder steady and the rest will increase by the CPI over time until everyone is caught up. It may take between 8-13 years. They are on 30-year leases. Discussion followed.

## COPIER CONTRACT

Information Technology Director Jorge Salinas said that a Resolution to secure a copier contract with Ricoh for four years will be coming to the next Regular Session.

Salinas said that in the past the City was contracting for 22 machines at the cost of \$44,000 annually. This year the City issued a Request For Proposal (RFP). The responders were graded in six areas. For 28 copiers it will cost \$45,435.72, as outlined in the staff memo. The bid scores are also in memo. There were eight City employees that participated in all areas of grading. Salinas handed out a list of the copiers (see agenda file).

Coburn noticed that the City is adding six copiers. He asked, what changed to need that many more? Salinas said that Police is adding one which will be closer to detectives; the Community Pool is adding one; and Transit is adding two. Salinas pointed out that the City is getting 28 copiers for about the same price as 22 copiers.

There was discussion about color copiers.

Collins asked, how does this price compare to the state pricing? Salinas said the Ricoh state contact would have cost \$56,000, so we would be paying about \$18,000 more in comparison to the lowest cost vendor without any options. For Xerox, comparatively, the price was \$91,500 or \$52,000 more in comparison to the lowest cost vendor without any options. Collins said that the RFP process resulted in a competitive quote.

Reid wants to know which printers on the list are color and which are black and white. Salinas will send that information to Reid.

Johnson said that leasing the machines saves money especially since toner is so expensive. She commended Salinas and the review team for a great job.

Salinas added that these copiers will be connected to the network and in some cases it will be cheaper to print to them instead of the HP printers.

## COUNCILOR COMMENTS

Olsen asked when the dog "Blue" can be moved out of solitary confinement to a dog hotel. Hare is not sure but he thinks that it will be as soon as possible. He said the City is moving very quickly and is not holding the process up.

Reid said he doesn't want the dog moved until Linn County's dog kennel bill has been paid in full; he said neither the City nor Linn County should be stuck with the bill.

## CITY MANAGER REPORT

Taniguchi-Dennis said that staff will be turning on the water tomorrow at Talking Water Gardens in order to test the pumps. They will also be filling the wetlands so plants can start to germinate.

Konopa said the Big-Pick-Up had a good turnout with 150 participating, and also many were able to see Talking Water Gardens for the first time. She heard wonderful comments.

Taniguchi-Dennis said the EPA's award ceremony for Talking Water Gardens will be on June 1.

## ADJOURNMENT

There being no further business, the Work Session adjourned at 5:46 p.m.

Respectfully submitted,

Reviewed by,

Mary A. Dibble, MMC  
Deputy City Clerk

Stewart Taylor  
Finance Director