



## NOTICE OF PUBLIC MEETING

CITY OF ALBANY  
CITY COUNCIL WORK SESSION  
Municipal Court Room  
Monday, August 15, 2011  
4:00 p.m.

### AGENDA

4:00 p.m. **CALL TO ORDER**

4:00 p.m. **ROLL CALL**

4:00 p.m. **BUSINESS FROM THE PUBLIC**

4:05 p.m. **CITY MANAGER PERFORMANCE EVALUATION** – Council  
*Action Requested:* Discussion; direction.

5:05 p.m. **PUBLIC SAFETY OPERATING LEVY AND FACILITIES PLAN** – Ed Boyd, John Bradner, Stewart Taylor  
*Action Requested:* Discussion; direction.

5:45 p.m. **COUNCILOR COMMENTS**

5:55 p.m. **CITY MANAGER REPORT**

6:00 p.m. **ADJOURNMENT**

#### Rules of Conduct for Public Meetings

1. No person shall be disorderly, abusive, or disruptive of the orderly conduct of the hearing.
2. Persons shall not testify without first receiving recognition from the presiding officer and stating their full name and residence address.
3. No person shall present irrelevant, immaterial, or repetitious testimony or evidence.
4. There shall be no audience demonstrations such as applause, cheering, display of signs, or other conduct disruptive of the hearing.

City of Albany Web site: [www.cityofalbany.net](http://www.cityofalbany.net)

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*The location of the meeting/hearing is accessible to the disabled. If you have a disability that requires accommodation, advance notice is requested by notifying the Human Resources Department at 917-7500.*

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TO: Albany City Council  
VIA: Wes Hare, City Manager  
FROM: Ed Boyd, Police Chief  
John Bradner, Fire Chief  
Stewart Taylor, Finance Director

DATE: August 9, 2011 for the August 15, 2011, City Council Work Session

SUBJECT: Public Safety Operating Levy and Facilities Plan

RELATES TO STRATEGIC PLAN THEME: ● A Safe City  
● Effective Government

Action Requested:

Discuss and provide direction regarding renewal of the Public Safety Operating Levy and financing Public Safety facilities.

Discussion:

In July, 2011, the City Council directed staff to prepare a tentative schedule for presenting renewal of the Public Safety Operating Levy to Albany voters. The Council also requested that the schedule include consideration of a plan for financing and constructing the needed public safety facilities.

The attached information proposes a plan to accomplish the above objectives and is intended to facilitate the discussion. The information includes the following:

- Attachment 1 presents *Possible Election Dates and Timelines*. Staff recommends that we target the primary election on May 15, 2012 for renewal of the Public Safety Operating Levy. Staff also recommends that we target the primary election on May 14, 2013, for consideration of Public Safety Facilities General Obligation Bonds.
- Attachment 2 presents *Alternative Rates for Renewal of the Public Safety Operating Levy*. The table applies different rates to the actual 2010-2011 assessed value and ratio of compression. Staff recommends increasing the rate from the current \$0.95 per thousand of assessed value to \$1.15. The increase would generate a net property tax collection almost equal to the current year levy amount before compression.
- Attachment 3 presents a table showing the *Impacts of Different Rates to Property Taxes*. The recommended increase in the levy rate would increase property taxes on a \$150,000 home by \$30, a \$200,000 home by \$40, and a \$250,000 home by \$50.
- Attachment 4 presents several tables showing *How Changes in Future Assessed Values Will Impact Changes in Future Revenues*. The tables show decreasing growth in revenues because compression is expected to grow faster than assessed values.
- Attachment 5 presents the *Annual Change in Actual Property Tax Collections* and compares it with the Consumer Price Index – Western (Portland). Growth in property tax collections for the levy has exceeded inflation in each year.
- Attachment 6 presents a *Timeline and Cash Flow for Construction* of a police station and fire station. The police station is proposed to be constructed in 2012 with settlement

proceeds and a loan from the Economic Development program. The Economic Development loan would be paid back over several years from LID loan payments. Funding for the police station above the available cash would be included in the General Obligation Bonds presented to the voters in May, 2013. The fire station would be built in 2013 from proceeds from the General Obligation Bonds.

- Attachment 7 presents a *Simple Amortization Schedule* to illustrate the potential cost of the General Obligation Bonds. The bonds would be structured with minimal payments in the first two years so that the remaining payments would replace payments on the 2003 General Obligation Refunding Bonds which mature in June, 2015. Essentially, one bond would replace the other and there would be very little change in the property tax burden.

Budget Impact:

Both the Public Safety Operating Levy and the construction of Public Safety facilities have very significant budget impacts.

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Attachments

## PUBLIC SAFETY OPERATING LEVY

<b>2012 ELECTIONS CALENDAR</b>				
Date of Election	March 06	May 15 Primary	September 18	November 06 General
WS meeting prior to City Council meeting.**	December 21, 2011	<b>March 05</b>	July 09	August 20
Council meeting prior to filing w/counties.*		<b>March 07</b>	July 11	August 22
Filing date to counties	January 4, 2012	<b>March 15</b>	July 19	September 06
Voters' Pamphlet Filings	January 09, 2012	<b>March 19</b>	July 23	September 10

\* Regular, Wednesday night City Council meeting.

\*\* Work Session Council meeting, Monday night.

Public Safety Levy Fund information in the FY 2011-12 Proposed Budget is on:

Budget Summary: pgs 51 & 52

Fire: pg 122; Police pg 114

Finance: pg 230

Financial Summaries: pgs 397, 399, 400, 405, 408, 409, 410

## PUBLIC SAFETY FACILITIES GO BONDS

<b>(Unofficial &amp; Tentative) 2013 ELECTIONS CALENDAR</b>				
Date of Election	March 05	May 14	September 17	November 05
WS meeting prior to filing w/counties.**	December 17	<b>March 11</b>	July 8	August 26
Council meeting prior to filing w/counties.*	December 19, 2012	<b>March 13</b>	July 10	August 28
Filing date to counties	January 2, 2013	<b>March 14</b>	July 18	September 05
Voters' Pamphlet Filings	January 07, 2013	<b>March 18</b>	July 22	September 09

Attachment 2: Alternative Rates for Renewal of the Public Safety Operating Levy

PS Levy Change in Rate

2010-11	AV	Rate	Levy	Compression	% of Levy	Gross	Collection	Net	Inc
Linn	2,618,801,545	0.95	2,487,861	(368,500)	14.81%	2,119,362	93.47%	1,980,967	
Benton	578,241,790	0.95	549,330	(9,046)	1.65%	540,284	93.47%	505,003	
<b>Total</b>	<b>3,197,043,335</b>		<b>3,037,191</b>	<b>(377,546)</b>	<b>12.43%</b>	<b>2,659,646</b>		<b>2,485,971</b>	
Linn	2,618,801,545	1.00	2,618,802	(387,895)	14.81%	2,230,907	93.47%	2,085,229	
Benton	578,241,790	1.00	578,242	(9,522)	1.65%	568,720	93.47%	531,582	
<b>Total</b>	<b>3,197,043,335</b>		<b>3,197,043</b>	<b>(397,416)</b>	<b>12.43%</b>	<b>2,799,627</b>		<b>2,616,811</b>	<b>130,841</b>
Linn	2,618,801,545	1.05	2,749,742	(407,289)	14.81%	2,342,452	93.47%	2,189,490	
Benton	578,241,790	1.05	607,154	(9,998)	1.65%	597,156	93.47%	558,162	
<b>Total</b>	<b>3,197,043,335</b>		<b>3,356,896</b>	<b>(417,287)</b>	<b>12.43%</b>	<b>2,939,608</b>		<b>2,747,652</b>	<b>261,681</b>
Linn	2,618,801,545	1.10	2,880,682	(426,684)	14.81%	2,453,998	93.47%	2,293,752	
Benton	578,241,790	1.10	636,066	(10,474)	1.65%	625,592	93.47%	584,741	
<b>Total</b>	<b>3,197,043,335</b>		<b>3,516,748</b>	<b>(437,158)</b>	<b>12.43%</b>	<b>3,079,590</b>		<b>2,878,492</b>	<b>392,522</b>
<b>Linn</b>	<b>2,618,801,545</b>	<b>1.15</b>	<b>3,011,622</b>	<b>(446,079)</b>	<b>14.81%</b>	<b>2,565,543</b>	<b>93.47%</b>	<b>2,398,013</b>	
<b>Benton</b>	<b>578,241,790</b>	<b>1.15</b>	<b>664,978</b>	<b>(10,950)</b>	<b>1.65%</b>	<b>654,028</b>	<b>93.47%</b>	<b>611,320</b>	
<b>Total</b>	<b>3,197,043,335</b>		<b>3,676,600</b>	<b>(457,029)</b>	<b>12.43%</b>	<b>3,219,571</b>		<b>3,009,333</b>	<b>523,362</b>
Linn	2,618,801,545	1.20	3,142,562	(465,473)	14.81%	2,677,088	93.47%	2,502,275	
Benton	578,241,790	1.20	693,890	(11,426)	1.65%	682,464	93.47%	637,899	
<b>Total</b>	<b>3,197,043,335</b>		<b>3,836,452</b>	<b>(476,900)</b>	<b>12.43%</b>	<b>3,359,552</b>		<b>3,140,174</b>	<b>654,203</b>
Linn	2,618,801,545	1.25	3,273,502	(484,868)	14.81%	2,788,634	93.47%	2,606,536	
Benton	578,241,790	1.25	722,802	(11,902)	1.65%	710,900	93.47%	664,478	
<b>Total</b>	<b>3,197,043,335</b>		<b>3,996,304</b>	<b>(496,771)</b>	<b>12.43%</b>	<b>3,499,534</b>		<b>3,271,014</b>	<b>785,043</b>
Linn	2,618,801,545	1.30	3,404,442	(504,263)	14.81%	2,900,179	93.47%	2,710,797	
Benton	578,241,790	1.30	751,714	(12,378)	1.65%	739,336	93.47%	691,057	
<b>Total</b>	<b>3,197,043,335</b>		<b>4,156,156</b>	<b>(516,641)</b>	<b>12.43%</b>	<b>3,639,515</b>		<b>3,401,855</b>	<b>915,884</b>
Linn	2,618,801,545	1.35	3,535,382	(523,658)	14.81%	3,011,725	93.47%	2,815,059	
Benton	578,241,790	1.35	780,626	(12,855)	1.65%	767,772	93.47%	717,636	
<b>Total</b>	<b>3,197,043,335</b>		<b>4,316,009</b>	<b>(536,512)</b>	<b>12.43%</b>	<b>3,779,496</b>		<b>3,532,695</b>	<b>1,046,725</b>
Linn	2,618,801,545	1.40	3,666,322	(543,052)	14.81%	3,123,270	93.47%	2,919,320	
Benton	578,241,790	1.40	809,539	(13,331)	1.65%	796,208	93.47%	744,215	
<b>Total</b>	<b>3,197,043,335</b>		<b>4,475,861</b>	<b>(556,383)</b>	<b>12.43%</b>	<b>3,919,478</b>		<b>3,663,536</b>	<b>1,177,565</b>

Attachment 3: Impacts of Different Rates to Property Taxes

PS Levy Change in PT

AV	Rate	PT	Diff	AV	Rate	PT	Diff
150,000	0.95	143		150,000	1.20	180	38
200,000	0.95	190		200,000	1.20	240	50
250,000	0.95	238		250,000	1.20	300	63
150,000	1.00	150	8	150,000	1.25	188	45
200,000	1.00	200	10	200,000	1.25	250	60
250,000	1.00	250	13	250,000	1.25	313	75
150,000	1.05	158	15	150,000	1.30	195	53
200,000	1.05	210	20	200,000	1.30	260	70
250,000	1.05	263	25	250,000	1.30	325	88
150,000	1.10	165	23	150,000	1.35	203	60
200,000	1.10	220	30	200,000	1.35	270	80
250,000	1.10	275	38	250,000	1.35	338	100
<b>150,000</b>	<b>1.15</b>	<b>173</b>	<b>30</b>	150,000	1.40	210	68
<b>200,000</b>	<b>1.15</b>	<b>230</b>	<b>40</b>	200,000	1.40	280	90
<b>250,000</b>	<b>1.15</b>	<b>288</b>	<b>50</b>	250,000	1.40	350	113

Attachment 4: How Changes in Future Assessed Values Will Impact Changes in Future Revenues

PS Levy Future Revenues

Year	AV 2.50%	Rate 1.15	Levy	Compression 12.43%	Gross	Net 93.47%	Diff
2010-11	3,197,043,335	1.15	3,676,600	(377,546)	3,299,054	3,083,626	
2011-12	3,276,969,418	1.15	3,768,515	(424,475)	3,344,040	3,125,674	42,048
2012-13	3,358,893,654	1.15	3,862,728	(477,237)	3,385,491	3,164,418	38,744
2013-14	3,442,865,995	1.15	3,959,296	(536,557)	3,422,739	3,199,234	34,815
2014-15	3,528,937,645	1.15	4,058,278	(603,251)	3,455,027	3,229,414	30,180
2015-16	3,617,161,086	1.15	4,159,735	(678,235)	3,481,500	3,254,158	24,744
2016-17	3,707,590,113	1.15	4,263,729	(762,540)	3,501,189	3,272,561	18,403
2017-18	3,800,279,866	1.15	4,370,322	(857,324)	3,512,998	3,283,599	11,038

Year	AV 2.75%	Rate 1.15	Levy	Compression 12.43%	Gross	Net 93.47%	Diff
2010-11	3,197,043,335	1.15	3,676,600	(377,546)	3,299,054	3,083,626	
2011-12	3,284,962,027	1.15	3,777,706	(424,475)	3,353,232	3,134,266	50,640
2012-13	3,375,298,482	1.15	3,881,593	(477,237)	3,404,357	3,182,052	47,786
2013-14	3,468,119,191	1.15	3,988,337	(536,557)	3,451,780	3,226,379	44,327
2014-15	3,563,492,468	1.15	4,098,016	(603,251)	3,494,765	3,266,557	40,178
2015-16	3,661,488,511	1.15	4,210,712	(678,235)	3,532,476	3,301,806	35,249
2016-17	3,762,179,445	1.15	4,326,506	(762,540)	3,563,966	3,331,239	29,434
2017-18	3,865,639,380	1.15	4,445,485	(857,324)	3,588,161	3,353,855	22,615

Year	AV 3.00%	Rate 1.15	Levy	Compression 12.43%	Gross	Net 93.47%	Diff
2010-11	3,197,043,335	1.15	3,676,600	(377,546)	3,299,054	3,083,626	
2011-12	3,292,954,635	1.15	3,786,898	(424,475)	3,362,423	3,142,857	59,231
2012-13	3,391,743,274	1.15	3,900,505	(477,237)	3,423,268	3,199,729	56,872
2013-14	3,493,495,572	1.15	4,017,520	(536,557)	3,480,963	3,253,656	53,927
2014-15	3,598,300,439	1.15	4,138,046	(603,251)	3,534,794	3,303,972	50,316
2015-16	3,706,249,453	1.15	4,262,187	(678,235)	3,583,951	3,349,919	45,947
2016-17	3,817,436,936	1.15	4,390,052	(762,540)	3,627,512	3,390,636	40,716
2017-18	3,931,960,044	1.15	4,521,754	(857,324)	3,664,430	3,425,143	34,507

Year	AV 3.25%	Rate 1.15	Levy	Compression 12.43%	Gross	Net 93.47%	Diff
2010-11	3,197,043,335	1.15	3,676,600	(377,546)	3,299,054	3,083,626	
2011-12	3,300,947,243	1.15	3,796,089	(424,475)	3,371,615	3,151,448	67,822
2012-13	3,408,228,029	1.15	3,919,462	(477,237)	3,442,226	3,217,448	66,000
2013-14	3,518,995,440	1.15	4,046,845	(536,557)	3,510,288	3,281,066	63,618
2014-15	3,633,362,792	1.15	4,178,367	(603,251)	3,575,116	3,341,661	60,595
2015-16	3,751,447,082	1.15	4,314,164	(678,235)	3,635,929	3,398,503	56,842
2016-17	3,873,369,112	1.15	4,454,374	(762,540)	3,691,834	3,450,758	52,255
2017-18	3,999,253,609	1.15	4,599,142	(857,324)	3,741,818	3,497,477	46,720

Year	AV 3.50%	Rate 1.15	Levy	Compression 12.43%	Gross	Net 93.47%	Diff
2010-11	3,197,043,335	1.15	3,676,600	(377,546)	3,299,054	3,083,626	
2011-12	3,308,939,852	1.15	3,805,281	(424,475)	3,380,806	3,160,040	76,414
2012-13	3,424,752,747	1.15	3,938,466	(477,237)	3,461,229	3,235,211	75,171
2013-14	3,544,619,093	1.15	4,076,312	(536,557)	3,539,755	3,308,609	73,398
2014-15	3,668,680,761	1.15	4,218,983	(603,251)	3,615,732	3,379,624	71,016
2015-16	3,797,084,588	1.15	4,366,647	(678,235)	3,688,412	3,447,559	67,934
2016-17	3,929,982,548	1.15	4,519,480	(762,540)	3,756,940	3,511,612	64,053
2017-18	4,067,531,937	1.15	4,677,662	(857,324)	3,820,338	3,570,870	59,258

Attachment 5: Annual Change in Actual Property Tax Collections

PS Levy and Inflation

	Fiscal Year	Levy Year	Prop Tax Collections	% Change	CPI-W Portland
Actual	2003-2004	1	1,797,480		2.3%
Actual	2004-2005	2	1,973,168	8.9%	2.6%
Actual	2005-2006	3	2,171,706	9.1%	2.7%
Actual	2006-2007	4	2,349,288	7.6%	3.6%
Actual	2007-2008	5	2,462,996	4.6%	3.4%
Actual	2008-2009	1	2,547,956	3.3%	0.0%
Actual	2009-2010	2	2,628,399	3.1%	1.8%
Actual	2010-2011	3	2,559,556	-2.7%	
Estimated	2011-2012	4	2,638,400	3.0%	
Estimated	2012-2013	5	2,688,133	1.9%	

Attachment 6: *Timeline and Cash Flow for Construction*

	2011	2012*	2013**	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Resources</b>												
Settlement Proceeds	18,500,000											
LID Loan Payments	104,371	466,370	466,370	466,370	466,370	466,370	466,370	466,370	466,370	466,370	361,999	-
CARA Loan Payments			-	-	-	-	-	-	-	-	-	-
Economic Development Loan		4,000,000										
Carry Forward		6,138,660	-	-	-	-	-	-	-	-	-	92,959
<b>Totals</b>	<b>18,604,371</b>	<b>10,605,030</b>	<b>466,370</b>	<b>466,370</b>	<b>466,370</b>	<b>466,370</b>	<b>466,370</b>	<b>466,370</b>	<b>466,370</b>	<b>466,370</b>	<b>361,999</b>	<b>92,959</b>
<b>Requirements</b>												
Water Capital Reimbursement	645,000											
Sewer Capital Reimbursement	515,000											
Risk Mgt Reimbursement	1,000,000											
Sewer Rate Offset		840,000										
<b>Loans</b>												
Timber Ridge North LID Loan	1,552,772											
Timber Ridge South LID Loan	1,916,423											
CARA Loan												
<b>Debt Defeasance</b>												
Limited Tax Pension Debt	790,000											
<b>Public Facilities</b>												
E. Thornton Lake Natural Area	1,000,000											
Public Safety Facilities Study	46,516											
Police Facility		9,765,030										
Fire Station												
<b>Economic Development</b>												
Historic Albany Recovery Program	68,600											
Wetland Delineation	30,000											
OR Wetland LLC Settlement	75,000											
Economic Dev Loan Payback			466,370	466,370	466,370	466,370	466,370	466,370	466,370	466,370	269,040	
<b>Totals</b>	<b>12,465,711</b>	<b>10,605,030</b>	<b>466,370</b>	<b>466,370</b>	<b>466,370</b>	<b>466,370</b>	<b>466,370</b>	<b>466,370</b>	<b>466,370</b>	<b>466,370</b>	<b>269,040</b>	<b>-</b>
<b>Balance/Carry Forward</b>	<b>6,138,660</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>92,959</b>	<b>92,959</b>

<b>Summary</b>			
<b>Resources</b>	Principal	Interest	Total
LID Loans	3,469,195	1,194,505	4,663,700
CARA Loan	-	-	-
Other	15,030,805		15,030,805
<b>Total</b>	<b>18,500,000</b>	<b>1,194,505</b>	<b>19,694,505</b>
<b>Projects</b>			
Water Capital Reimbursement		645,000	
Sewer Capital Reimbursement		515,000	
Risk Mgt Reimbursement		1,000,000	
Sewer Rate Offset		840,000	
Limited Tax Pension Debt		790,000	
E. Thornton Lake Natural Area		1,000,000	
Public Safety Facilities Study		46,516	
Police Facility		9,765,030	
Fire Station		-	
Economic Development		4,826,400	
Historic Albany Recovery Program		68,600	
Wetland Delineation		30,000	
OR Wetland LLC Settlement		75,000	
<b>Total</b>		<b>19,601,546</b>	
Difference		92,959	

2012\*      March - Public Safety Levy election  
               Summer - Construct Police facility

2013\*\*     March - PS facility GO Bond election (balance of police facility and fire station -  
               structure lower payments in first two years)  
               Summer - Construct fire station

Attachment 7: Simple Amortization Schedule

PS Facility GO Bonds

			Term	Principal	Interest	Payment	Balance
Project Costs - mid range, 20 years							13,250,935
Police	14,581,896		1	175,739	397,528	573,267	13,075,196
Fire	8,434,069		2	181,011	392,256	573,267	12,894,185
Total Facility Cost	23,015,965		3	186,441	386,826	573,267	12,707,744
Less available cash:	(9,765,030)		4	192,035	381,232	573,267	12,515,709
Bond amount	13,250,935		5	197,796	375,471	573,267	12,317,913
			6	203,730	369,537	573,267	12,114,184
			7	209,841	363,426	573,267	11,904,342
Principal	13,250,935	1,000,000	8	216,137	357,130	573,267	11,688,206
Term (years)	20	20	9	222,621	350,646	573,267	11,465,585
Rate	6.00%	6.00%	10	229,299	343,968	573,267	11,236,285
Semi-annual Payment	573,267	43,262	11	236,178	337,089	573,267	11,000,107
Annual Payment	1,146,534	86,525	12	243,264	330,003	573,267	10,756,843
Total Interest Cost	9,679,743	730,495	13	250,562	322,705	573,267	10,506,282
			14	258,079	315,188	573,267	10,248,203
2010-2011 assessed value	3,197,043,335	3,197,043,335	15	265,821	307,446	573,267	9,982,382
Tax rate/1,000 of assessed value	0.3586	0.0271	16	273,795	299,471	573,267	9,708,587
PT on \$150,000 home	53.79	4.06	17	282,009	291,258	573,267	9,426,577
PT on \$200,000 home	71.72	5.41	18	290,470	282,797	573,267	9,136,108
			19	299,184	274,083	573,267	8,836,924
2015 GO Refunding Bonds	1,388,400		20	308,159	265,108	573,267	8,528,765
Tax rate/1,000 of assessed value	0.4343		21	317,404	255,863	573,267	8,211,361
PT on \$150,000 home	65.14		22	326,926	246,341	573,267	7,884,435
PT on \$200,000 home	86.86		23	336,734	236,533	573,267	7,547,701
			24	346,836	226,431	573,267	7,200,865
Difference			25	357,241	216,026	573,267	6,843,624
Tax rate/1,000 of assessed value	(0.0757)		26	367,958	205,309	573,267	6,475,665
PT on \$150,000 home	(11.35)		27	378,997	194,270	573,267	6,096,668
PT on \$200,000 home	(15.13)		28	390,367	182,900	573,267	5,706,302
			29	402,078	171,189	573,267	5,304,224
			30	414,140	159,127	573,267	4,890,083
			31	426,564	146,703	573,267	4,463,519
			32	439,361	133,906	573,267	4,024,158
			33	452,542	120,725	573,267	3,571,615
			34	466,118	107,148	573,267	3,105,497
			35	480,102	93,165	573,267	2,625,395
			36	494,505	78,762	573,267	2,130,890
			37	509,340	63,927	573,267	1,621,549
			38	524,620	48,646	573,267	1,096,929
			39	540,359	32,908	573,267	556,570
			40	556,570	16,697	573,267	0
			Total	13,250,935	9,679,743	22,930,678	