

NOTICE OF PUBLIC MEETING

CITY OF ALBANY

CITY COUNCIL

Council Chambers

333 Broadalbin Street SW

Wednesday, June 11, 2014

7:15 p.m.

AGENDA



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."

Rules of Conduct for Public Meetings

- 1. No person shall be disorderly, abusive, or disruptive of the orderly conduct of the meeting.
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 meeting.

- 1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE TO THE FLAG
3. ROLL CALL
4. SCHEDULED BUSINESS

a. Communications

- 1) Accepting Camron Settlemier's resignation from the Landmarks Advisory Commission. [Page 3]

Action: \_\_\_\_\_

- 2) Accepting Rob Duncan's resignation from the Human Relations Commission. [Page 4]

Action: \_\_\_\_\_

- 3) Human Relations Commission annual report for 2013. [Pages 5-12]

Action: \_\_\_\_\_

b. Public Hearings

- 1) Declaring the City's eligibility to receive state revenues. [Pages 13-15]

Action: \_\_\_\_\_

RES. NO. \_\_\_\_\_

- 2) Adopting the 2014-2015 Annual Budget. [Pages 16-21]

Action: \_\_\_\_\_

RES. NO. \_\_\_\_\_

- 3) Adopting the 2015-2019 Capital Improvement Program. [Pages 22-23]

Action: \_\_\_\_\_

RES. NO. \_\_\_\_\_

- 4) Setting rates for wastewater system use and repealing Resolution No. 6230. [Pages 24-42]

Action: \_\_\_\_\_

RES. NO. \_\_\_\_\_

c. Business from the Public

d. Adoption of Consent Calendar

- 1) Approval of Minutes

- a) April 7, 2014, City Council Work Session. [Pages 43-46]

- b) April 21, 2014, City Council Work Session. [Pages 47-49]

- c) April 23, 2014, City Council Regular Session. [Pages 50-53]

- 2) Approving a liquor license for Sammy Enterprises II, Inc., d/b/a Four Seasons Growler. [Page 54]

Action: \_\_\_\_\_

e. Approval of Contract Increase

- 1) AR-14-01, Airport Security Fence Improvements. [Pages 55-57]

Action: \_\_\_\_\_

5. BUSINESS FROM THE COUNCIL
6. NEXT MEETING DATE: Joint City Council & Albany School Board Meeting: June 23, 2014  
Regular Session: June 25, 2014
7. ADJOURNMENT

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

---

*The location of the meeting/hearing is accessible to the disabled. If you have a disability that requires accommodation, advanced notice is requested by notifying the City Manager's Office at 541-917-7508, 541-704-2307, or 541-917-7519.*

---

**Hyde, Laura**

---

**From:** Catlin, Anne  
**Sent:** Friday, May 16, 2014 4:16 PM  
**To:** Hyde, Laura; EXTERNAL - Konopa, Sharon  
**Subject:** FW: need your resignation

---

**From:** Camron Settlemier [mailto:csettlemier@highdeftrains.com]  
**Sent:** Friday, May 16, 2014 4:06 PM  
**To:** Catlin, Anne  
**Cc:** Camron Settlemier  
**Subject:** Re: need your resignation

Hi Anne,

Sadly, this email is to notify you that I will be resigning from the Albany Landmarks Commission. June 4 will be my last meeting and my last effective day on the Commission. I hope my stay in California is a short one (3 to 5 year estimate), and I will return to Albany and have a chance to serve on the Commission again. I will still be coming up to Albany about 1 week a month. I am keeping my current job, and telecommuting most of the time, but will be in the office about once a month.

Off the record it is hard to get excited about exploring California when Redwood City has such an abysmal HCSI score (Historic Core to Sprawl Index), although Monterey is 1.5 hours away and has extant buildings going back to the 1830s.

Regards,  
Camron

On May 14, 2014, at 8:53 AM, Catlin, Anne wrote:

Hi Camron,

Just a reminder to send me an email or letter informing us of your resignation.

I hope you are getting excited about this opportunity to explore California for a few years.

Anne

*Anne Catlin, AICP, Lead Long Range Planner*  
(541) 917-7560; [anne.catlin@cityofalbany.net](mailto:anne.catlin@cityofalbany.net)

## Hyde, Laura

---

**From:** rilduncan@hotmail.com on behalf of EXTERNAL - Duncan, Rob  
**Sent:** Tuesday, June 3, 2014 11:14 PM  
**To:** Hyde, Laura  
**Subject:** RE: Your Resignation from the Human Relations Commission

**Importance:** High

Hello,  
Greetings

Or do you just need me to formally request my resignation.

If so, I do so formally submit my resignation, while at the same time of course I would like to wish all the best to all the members of the commission and their endeavors here in this community.

Kindest regards

Robert Duncan

---

**From:** laura.hyde@cityofalbany.net  
**To:** robertstevenduncan@gmail.com  
**Date:** Tue, 3 Jun 2014 14:59:26 -0700  
**Subject:** Your Resignation from the Human Relations Commission

Hi, Rob,

Kindly follow-up to my May 27 e-mail below, please; thank you.

*Laura Hyde*

*Executive Assistant to the City Manager*

*P.O. Box 490*

*Albany, OR 97321*

*Phone: (541) 917-7508*

*FAX: (541) 917-7511*

*E-mail: [laura.hyde@cityofalbany.net](mailto:laura.hyde@cityofalbany.net)*

**From:** Hyde, Laura  
**Sent:** Tuesday, May 27, 2014 1:40 PM  
**To:** EXTERNAL - Duncan, Rob  
**Subject:** RE: Agenda for Human Relations Commission Meeting, Tuesday, May 27, 7:00 p.m., @ Albany City Hall, Municipal Court Room

Ok; you'll be missed. Will you be e-mailing or mailing your resignation letter?

*Laura Hyde*

*Phone: (541) 917-7508*

**Albany Human Relations Commission**  
**Annual Report (January – December 2013)**  
**Date: December 29, 2013**

The Human Relations Commission was established in 2007 “*to promote harmonious relations among citizens of Albany*” through recommendations of “*programs, activities, ordinances, expenditures and other appropriate governmental activities which will serve the goal of maintaining respectful interactions within our community.*” (Ord. 5671 § 1, 2007; Ord. 5665 § 1, 2007).

A brief review of Commission activities during 2013 is set forth below. A history of Commission membership and attendance is attached to this report.

**January 2013:**

Presented the second annual Albany Human Relations Award to Miao Zhao at the City Council Meeting. The award was created to recognize individuals, organizations, or businesses in Albany that have worked to promote harmonious relations among the citizens of Albany. Selection will be based on a demonstrated commitment to promoting human relations, diversity, and/or equality through community programs and activities. Zhao was recognized for her work with the InReach Clinic and other community work.

Members participated in the reading of Rev. Martin Luther King, Jr.’s, Letter from Birmingham Jail at Linn-Benton Community College in observance of MLK Jr.’s Birthday.

**February 2013:**

Members met with Jennifer Sanders, Chief Operations Officer for Linn-Benton Housing Authority (LBHA). Jennifer Sanders explained how the LBHA runs the Section 8 program and various other housing projects. She said statistics show that their programs are not helping the minority groups in proportion to the population.

**March 2013:**

Members attended a “Continue the Dream” event in which Albany students in grades 3 and 6-8 and their teachers presented art and writing students had created to reflect the life and work of Dr. Martin Luther King, Jr.

**May 2013:**

Participated in the HEART to Heart Resource Fair. Members invited Fair participants to complete a survey focused on access to community resources. The survey listed 19 public and nonprofit resources and asked respondents about their comfort level in accessing each. Twenty-one participants completed the survey.

**July 2013:**

Members acted as greeters at the July 4 River Rhythms concert, welcoming concert-goers and handing out programs.

**August 2013:**

Members attended the August 1 River Rhythms concert, welcoming concert-goers and handing out information about future events.

**September 2013:**

Participated in Festival Latino. HRC members served as Festival greeters, welcoming people as they arrived and urging them to participate in the Festival raffle.

**October 2013:**

Distributed and publicized information and nomination forms for the Annual Human Relations Award.

Three members visited the Cornelius Multicultural Center and met with staff to hear about Center history, focus, and programs. These members shared the information they had gathered with the full Commission at the October joint meeting with the Hispanic Advisory Council.

Met jointly with the Hispanic Advisory Council to discuss progress since the last meeting in 2012, current work of each group, and issues or concerns for focus in the coming year. After the presentation on the Cornelius Center (above), members discussed the desirability of reaching out to the community through a needs assessment. HRC members voted to take advantage of the availability of an OSU graduate student and preceptorship to recommend that focus groups be held to gather input from the Latino community about community experience, needs, and strengths. Other HAC/HRC discussion focused on how to assure accessible resources and information to the community year-round. Members of both groups expressed great satisfaction with the meeting and the information shared.

**November 2013:**

Members participated in the Annual Summit on Homelessness. Members met with Frank Moore and Clifford Hartman from the Linn County Mental Health Department; and Tony Howell from the Linn County Alcohol and Drug Program, to begin preliminary discussion about possible activities to observe Mental Health Awareness Month in May. Members also met with Tara Dixon, GAPS McKinney-Vento (homeless student) Liaison; Monica Lorence, Linn County Outreach Coordinator of Jackson Street Youth Shelter, and Andrea Myhre, Grant Officer with the Jackson Street Youth Shelter; and Cristie Lynch, Marketing & Communications Manager for Samaritan Health; who shared data and information about children and youth in Albany who do not have homes, the services available, and the gaps in services and resources. Ms. Lorence also shared information about the planned opening of a youth shelter in Linn County.

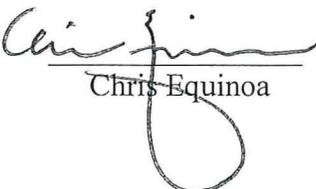
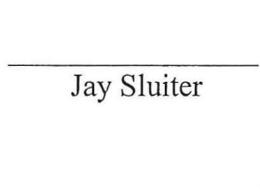
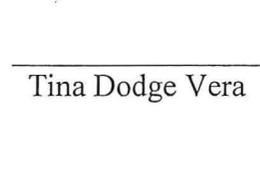
**December 2013:**

Members attended the City's annual memorials for unhoused people who had died during the past year.

The Commission HR Award Subcommittee selected the recipients of the third annual Human Relations Award to be presented in January 2013. This year's awards include both an individual and a nonprofit organization recipient.

**Conclusion:** Looking back, the Commission is grateful for the opportunities available to further its purpose. It is especially grateful for the support and assistance of City of Albany staff, including City Manager Wes Hare, City Public Information Officer Marilyn Smith, and Administrative Assistants Diana Eilers and Gina Burrese; and of its collaborative partners, including Linn County Mental Health, Linn Benton Hispanic Advisory Committee, and Oregon State University. It is also grateful to City, County, and community partner staff members who attended meetings to share information and answer questions, including Jennifer Sanders of the Linn Benton Housing Authority; Greg Roe of the United Way; Chief Mario Lattanzio of the Albany Police Department; Katie Nooshazar, Debbi Richards, and Rose Lacey of the Albany Parks & Recreation Department; Anne Catlin of the Community Development Department; Frank Moore, Clifford Hartman, and Tony Howell of the Linn County Mental Health Department and Mental Health Advisory Board; Tara Dixson of GAPS; and Monica Lorence of Jackson Street Youth Shelter; and to Executive Assistant Laura Hyde for her work on preparing the Commission history that is attached to this report. We look forward to continuing these and other positive activities in the future.

Respectfully submitted,

 _____ Kim Whitley, Chair	 _____ Nancy Greenman, Vice Chair	 _____ Javier Cervantes	 _____ Rob Duncan
 _____ Chris Equinoa	 _____ Jay Sluiter	 _____ Tina Dodge Vera	

## Human Relations Commission

### Commission Established

Council adopted Ordinance No. 5665, March 28, 2007, creating Albany Municipal Code Chapter 2.25, establishing the Human Relations Commission (HRC).

Council adopted Ordinance No. 5671, May 9, 2007, amending AMC 2.25.020 [*commissioners must reside within the Albany city limits*] and 2.25.030 [*initial terms to be staggered according to the appointee's surname beginning with three-year terms for those closest to the beginning of the alphabet*].

Purpose: The Human Relations Commission was established by the Albany City Council to promote harmonious relations among the citizens of Albany. It is created to recommend programs, activities, ordinances, expenditures, and other appropriate governmental activities which will serve the goal of maintaining respectful interactions within our community.

### First Commissioners

Name	Appointed By	Appointment Date	Term Expiration Date	Comments
Rafael Palacios	Mayor Doug Killin	07-25-2007	12-31-2007	Resigned 08-08-2007; he relocated to California; Blanca Ruckert appointed as replacement.
Blanca Ruckert	Mayor Doug Killin	08-08-2007	12-31-2007	none
Jodi Nelson	Councilor Dan Bedore	07-25-2007	12-31-2007	none
Rick Hammel, Jr.	Councilor Dick Olsen	07-25-2007	12-31-2008	none
Delia Guillen	Councilor Ralph Reid, Jr.	07-25-2007	12-31-2008	none
C. Jeffery Evans	Councilor Sharon Konopa	07-25-2007	12-31-2009	none
Marian Anderson	Councilor Jeff Christman	07-25-2007	12-31-2009	none
Anna Anderson	Councilor Bessie Johnson	08-08-2007	12-31-2009	none

HRC's first meeting was Tuesday, September 25, 2007. At the second meeting [October 23, 2007], the first Chair and Vice Chair were elected. C. Jeffery Evans was elected Chair and Blanca Ruckert as Vice Chair.

Subsequent Commissioners

Resignations/Reappointments/New Appointments

- Blanca Ruckert was reappointed 01-07-2008 by Mayor Killin; new term expires 12-31-2010.
- Jodi Nelson was reappointed 01-09-2008 by Councilor Bedore; new term expires 12-31-2010.
- Anna Anderson resigned 08-13-2008; Councilor Johnson appointed Kim Whitley on 08-27-2008, as her replacement for the term expiring 12-31-2009.
- Delia Guillen resigned 09-09-2008; Councilor Reid appointed John Hartman on 10-22-2008, as her replacement for the term expiring 12-31-2008.
- Margaret Martinez was appointed 01-14-2009 by Councilor Reid replacing John Hartman, whose term expired 12-31-2008. Margaret's three-year term expires 12-31-2011.
- Nancy Greenman was appointed 01-14-2009 by Councilor Olsen replacing Rick Hammel, Jr., whose term expired 12-31-2008. Nancy's three-year term expires 12-31-2011.
- Blanca Ruckert resigned 04-22-2009; Mayor Konopa appointed Michael Thompson on 06-24-2009, as her replacement for the term expiring 12-31-2010.
- C. Jeffery Evans resigned 06-24-2009; vacant term expired 12-31-2009. Councilor Coburn appointed Linda Hart on 06-23-10, for a new three-year expiring 12-31-2012.
- Marian Anderson resigned 09-09-2009; vacant term expired 12-31-2009. Councilor Christman appointed Tina Dodge Vera on 02-10-2010, for a new three-year expiring 12-31-2012.
- Kim Whitley was reappointed 01-13-2010 by Councilor Johnson; new term expires 12-31-2012.
- Jodi Nelson resigned 06-10-10; vacant term expires 12-31-2010. Councilor Collins appointed Julie Jones on 07-14-2010, as her replacement for the term expiring 12-31-2010.
- Julie Jones was reappointed 01-12-2011 by Councilor Collins; new term expires 12-31-2013.
- Michael Thomson was reappointed 01-12-2011 by Mayor Konopa; new term expires 12-31-2013.
- Margaret Martinez completed her three-year term that expired 12-31-2011. Council Kopczynski appointed Leonor Rodriguez on 01-11-2012 for a new three-year expiring 12-31-2014.
- Nancy Greenman was reappointed 01-11-2012 by Councilor Olsen; new term expires 12-31-2014.
- Kim Whitley was reappointed 01-09-2013 by Councilor Johnson; new term expires 12-31-2015.
- Tina Dodge Vera was reappointed 02-13-13 by Councilor Coburn; new term expires 12-31-2015.
- Jay Sluiter was appointed 02-13-13 by Councilor Kellum; new term expires 12-31-2015.
- Leonor Rodriguez resigned 09-10-13; vacant term expires 12-31-2014. Councilor Kopczynski appointed Rob Duncan on 09-25-2013, as her replacement for the term expiring 12-31-2014.

Current HRC Roster (as of January 17, 2014)

Name	Appointment By	Term Expiration Date
Nancy Greenman	Councilor Dick Olsen	12-31-2014
Rob Duncan	Councilor Ray Kopczynski	12-31-2014
Tina Dodge Vera	Councilor Bill Coburn	12-31-2015
Jay Sluiter	Councilor Rich Kellum	12-31-2015
Kim Whitley	Councilor Bessie Johnson	12-31-2015
Javier Cervantes	Councilor Floyd Collins	12-31-2016
Chris Equinoa	Mayor Sharon Konopa	12-31-2016

Visitors who have attended an HRC meeting in 2009

Sharon Gisler  
Michael Thomson  
Mayor Sharon Konopa  
Gerald Gisler  
John Phillips  
Margo Coleman  
Alice Fitzpatrick  
Donna Copeland  
Bill Root  
June Hemmingson  
Larry Eby  
Penny Miltenberger  
Dan Miltenberger  
Phillipa Meehan  
Dick Owen  
Rosa Plascencia  
Tina Dodge Vera

Visitors who have attended an HRC meeting in 2010

Clifford Hartman, Linn County Mental Health  
Jim Bell, LBCC  
Mary Zelinka, CARDV  
Linda Hart  
Frank Moore, Linn County Mental Health  
Catherine Henderson, Mental Health Advisory

Visitors who have attended an HRC meeting in 2011

Sue McGuire-Thompson, Community Services Consortium  
Debbie Little, Community Services Consortium  
Wawna Shepherd  
Ora Mowdy  
Shawn Smith  
Westen Hoover  
Ramos Pacheco  
Andy Phillips  
Jamie Lavery  
Anna Benson, Linn-Benton Housing Authority  
Jeanette Emerson, LBCC student  
Chelsea Baker, LBCC student  
Daniel Trinidad, LBCC student  
Jodie Nelson, OSU

Students attending classes at Community Services Consortium.

Visitors who have attended an HRC meeting in 2012

Frank Moore, Linn County Mental Health  
Clifford Hartman, Linn County Mental Health  
Kathryn Henderson, Linn County Mental Health Advisory Board  
Jim Clausen  
Doug Finegan  
Dick Knowles, Linn County Mental Health Advisory Board  
Dede Burns-McLay, CARDV

Visitors who have attended an HRC meeting in 2013

Jennifer Sanders, Chief Operations Officer for Linn-Benton Housing Authority  
Albany Mayor Sharon Konopa  
Greg Roe, United Way of Linn County Executive Director  
Katie Nooshazar, Recreation Programs Manager, City of Albany Parks & Recreation  
Debbi Richards, Recreation Programs Supervisor, City of Albany Parks & Recreation  
Rose Lacey, Recreation Programs Specialist, City of Albany Parks & Recreation  
Anne Catlin, Planner III, City of Albany Community Development  
Frank Moore, Linn County Mental Health  
Clifford Hartman, Linn County Mental Health  
Tony Howell, Linn County Alcohol & Drug Program  
Cristie Lynch, Samaritan Health Marketing & Communications Manager  
Tara Dixon, GAPS McKinney-Vento (homeless student) Liaison  
Monica Lorence, Linn County Outreach Coordinator of Jackson Street Youth Shelter  
Andrea Myhre, Grant Officer with the Jackson Street Youth Shelter



TO: Albany City Council  
VIA: Wes Hare, City Manager  
FROM: Stewart Taylor, Finance Director *ST*  
Mary Dibble, City Clerk  
DATE: June 3, 2014, for the June 11, 2014, City Council Meeting  
SUBJECT: State Revenue Sharing

Action Requested:

By resolution, certify that the City is eligible to receive state revenue sharing and, by resolution, state that the City wants to receive state revenue sharing for the Fiscal Year (FY) 2014-2015.

Discussion:

A percentage of the net revenue from state shared revenues is authorized for distribution under the State Revenue Sharing Program, ORS 221.770. The funds are distributed on a formula that compares the City's consolidated property tax rate, per capita income, and population against the statewide averages. It also reflects the percentage of upward or downward trends in per capita tax distribution. The funds are paid quarterly.

In the FY 2014-2015 City of Albany Budget, the money is used to help fund the Transit System.

The law requires that cities provide two opportunities for the public to comment regarding the proposed use of the state revenue sharing monies. The first opportunity was held before the Budget Committee on May 6, 2014, as part of the review of the Proposed Budget. The second opportunity is tonight before the City Council.

The public was informed through the usual public notification process.

Budget Impact:

The Budget Committee approved State Revenue Sharing funds at \$466,800.

Attachment

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION DECLARING THE CITY'S ELECTION TO RECEIVE STATE REVENUES.

Pursuant to ORS 221.770, the City of Albany hereby elects to receive State Revenues for the Fiscal Year 2014-2015.

DATED AND EFFECTIVE THIS 11TH DAY OF JUNE 2014.

Passed by the Council: \_\_\_\_\_

Approved by the Mayor: \_\_\_\_\_

Effective Date: \_\_\_\_\_

\_\_\_\_\_  
Mayor

I certify that a public hearing before the Budget Committee was held on May 6, 2014, and a public hearing before the City Council was held on June 11, 2014, giving citizens an opportunity to comment on use of State Revenue Sharing.

\_\_\_\_\_  
City Clerk

A RESOLUTION DECLARING THE CITY'S ELIGIBILITY TO RECEIVE STATE REVENUES.

WHEREAS, ORS 221.760 provides as follows:

Section 1. The officer responsible for disbursing funds to cities under ORS 323.455, 366.785 to 366.820 and 471.805 to 471.810 shall, in the case of a city located within a county having more than 100,000 inhabitants according to the most recent federal decennial census, disburse such funds only if the city provides four or more of the following services:

- (1) Police protection
- (2) Fire protection
- (3) Street construction, maintenance and lighting
- (4) Sanitary sewer
- (5) Storm sewers
- (6) Planning, zoning, and subdivision control
- (7) One or more utility services

and;

WHEREAS, City officials recognize the desirability of assisting the state officer responsible for determining the eligibility of cities to receive such funds in accordance with ORS 221.760.

NOW, THEREFORE, BE IT RESOLVED that the City of Albany hereby certifies that it provides the following four or more municipal services enumerated in Section 1, ORS 221.760: Police protection, Fire protection, Street construction, maintenance and lighting, Sanitary sewer, (Storm sewers), Planning, zoning, and subdivision control.

DATED AND EFFECTIVE THIS 11TH DAY OF JUNE 2014.

Passed by the Council: \_\_\_\_\_

Approved by the Mayor: \_\_\_\_\_

Effective Date: \_\_\_\_\_

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk



TO: Albany City Council  
VIA: Wes Hare, City Manager  
FROM: Stewart Taylor, Finance Director   
DATE: June 4, 2014, for the June 11, 2014, City Council Meeting  
SUBJECT: Resolution adopting the 2014-2015 Annual Budget

RELATES TO STRATEGIC PLAN THEME: ● Effective Government

RELATES TO: ● Effectively deliver the services that Albany's citizens need, want, and are willing to support

Action Requested:

Consider testimony received during the public hearing and, by resolution, adopt the 2014-2015 annual Budget, make appropriations, and declare and categorize taxes for Fiscal Year 2014-2015.

Discussion:

The Budget Committee of the City of Albany met on May 6, 13, 22, and 29, 2014, to receive comment and consider the 2014-2015 Budget as proposed by the City Manager. The budget was approved on May 29, 2014, and forwarded to the City Council.

A financial summary of the approved budget and notice of budget hearing before the City Council were published in the *Democrat-Herald* on June 3, 2014, in accordance with Oregon Local Budget Law (ORS Chapter 294). The City Council may take action to adopt the budget once the public hearing has been held and testimony has been considered.

Budget Impact:

The resolution adopts the Fiscal Year 2014-2015 annual Budget of \$160,228,600.

ST  
Attachment

G:\Administrative Services\Finance\Mary\Budget Process\2014-15\Council.Memo.06.11.2014.docx

RESOLUTION NO. \_\_\_\_\_

**BE IT RESOLVED** that the Albany City Council hereby adopts the approved 2014-2015 budget in the total sum of \$160,228,600 now on file at the Albany City Hall.

**BE IT FURTHER RESOLVED** that the amounts for the fiscal year beginning July 1, 2014, and for the purposes shown below are hereby appropriated as follows:

**GENERAL FUND**

Nondepartmental	
Materials & Services	\$ 276,100
Municipal Court	673,800
Code Enforcement	17,000
Public Safety Levy: Fire	1,061,300
Fire & Life Safety	698,200
Fire Emergency Services	11,063,100
Police	12,454,800
Public Safety Levy: Police	995,500
Planning	897,400
Library	2,518,600
Transfers Out	701,400
Contingency	1,262,100
<b>Total GENERAL FUND</b>	<b>\$ 32,619,300</b>

**SPECIAL REVENUE FUNDS**

**PARKS & RECREATION**

Sports Services	\$ 267,500
Children/Youth/Family Rec Services	278,100
Resource Development/Marketing Services	355,600
Park Maintenance Services	1,915,700
Parks & Recreation Administration	1,209,400
Aquatic Services	796,400
Adult Recreation Services	502,300
Performance and Cultural Arts	548,500
Park SDC Projects	930,500
Senior Center Foundation	15,600
Parks Capital Improvement Program	168,000
Transfers Out	348,100
Contingency	325,000
<b>Total PARKS &amp; RECREATION</b>	<b>\$ 7,660,700</b>

SPECIAL REVENUE FUNDS, continued

**GRANTS**

Personnel	\$ 472,800
Materials & Services	1,298,000
Capital	1,050,600
<b>Total GRANTS</b>	<b>\$ 2,821,400</b>

**BUILDING INSPECTION**

Building Inspection	\$ 1,426,700
Electrical Permit Program	196,300
ADA Code Enforcement	8,900
Transfers Out	9,000
<b>Total BUILDING INSPECTION</b>	<b>\$ 1,640,900</b>

**RISK MANAGEMENT**

Risk Management	\$ 1,455,900
PepsiCo Settlement Projects	9,087,900
Interfund Loan	500,000
<b>Total RISK MANAGEMENT</b>	<b>\$ 11,043,800</b>

**ECONOMIC DEVELOPMENT**

Target Utilities	\$ 40,100
Economic Development Activities	963,400
Albany Municipal Airport	455,600
Municipal Airport Capital Projects	189,900
Transfers Out	245,600
<b>Total ECONOMIC DEVELOPMENT</b>	<b>\$ 1,894,600</b>

**PUBLIC TRANSIT**

Albany Transit System	\$ 1,150,700
Linn-Benton Loop	1,038,600
Paratransit System	484,500
Transfers Out	5,000
<b>Total PUBLIC TRANSIT</b>	<b>\$ 2,678,800</b>

**PUBLIC SAFETY LEVY**

Transfers Out	\$ 2,422,600
<b>Total PUBLIC SAFETY LEVY</b>	<b>\$ 2,422,600</b>

**CAPITAL REPLACEMENT**

Equipment Replacement	\$ 3,803,200
City Facilities Replacement	201,000
GF Facilities Maintenance Projects	174,100
IT Equipment Replacement	1,774,300
Facilities Replacement	1,168,700
Transfers Out	88,000
<b>Total CAPITAL REPLACEMENT</b>	<b>\$ 7,209,300</b>

SPECIAL REVENUE FUNDS, continued

**STREET**

Personnel	\$ 867,600
Materials & Services	2,443,600
Capital	9,859,800
Transfers Out	600,000
Contingency	217,500
<b>Total STREET</b>	<b>\$ 13,988,500</b>

DEBT SERVICE FUND

**DEBT SERVICE**

2002 LTD Tax Pension Bonds	\$ 746,000
2004 Revenue Obligations	180,100
2007 GO Refunding Bonds	1,388,800
<b>Total DEBT SERVICE</b>	<b>\$ 2,314,900</b>

CAPITAL PROJECT FUND

**CAPITAL PROJECTS**

LID Construction Projects	\$ 580,600
Albany Station Pathway	115,000
Transfers Out	632,000
<b>Total CAPITAL PROJECTS</b>	<b>\$ 1,327,600</b>

PERMANENT FUNDS

**SENIOR CENTER ENDOWMENT**

Materials & Services	\$ 100
Unappropriated	51,200
<b>Total SENIOR CENTER ENDOWMENT</b>	<b>\$ 51,300</b>

**LIBRARY TRUST**

V. O. Torney Trust	\$ 13,100
Manela Trust	71,000
<b>Total LIBRARY TRUST</b>	<b>\$ 84,100</b>

**ENTERPRISE FUNDS**

**SEWER**

Personnel	\$ 2,485,100
Materials & Services	6,949,500
Capital	13,952,300
Transfers Out	546,800
Debt Service	9,516,000
Contingency	942,600
<b>Total SEWER</b>	<b>\$ 34,392,300</b>

**WATER**

Personnel	\$ 2,392,400
Materials & Services	5,936,800
Capital	10,973,300
Transfers Out	895,000
Debt Service	3,528,200
Contingency	872,500
<b>Total WATER</b>	<b>\$ 24,598,200</b>

**INTERNAL SERVICE FUNDS**

**CENTRAL SERVICES**

Finance	\$ 1,376,400
Council & Nondepartmental	213,300
City Manager's Office	931,500
Information Technology Services	1,366,200
GIS Services	422,000
Permit Tracking	116,900
Human Resources	644,500
Facilities Maintenance	709,000
<b>Total CENTRAL SERVICES</b>	<b>\$ 5,779,800</b>

**PUBLIC WORKS SERVICES**

PW Administration	\$ 1,249,600
Engineering Services	2,561,700
Operations Administration	575,000
Water Quality Control Services	360,800
PW Customer Services	1,236,800
Facilities & Maintenance Engineering	1,716,600
<b>Total PUBLIC WORKS SERVICES</b>	<b>\$ 7,700,500</b>

**BE IT FURTHER RESOLVED** that the Albany City Council hereby imposes the taxes provided for in the adopted budget at a permanent rate of \$6.3984 per one thousand of assessed value, a local option rate of \$1.15 per one thousand of assessed value, and bonded debt service in the amount of \$1,261,058, plus an adjustment for annexations, and that these taxes are hereby levied upon all taxable property within said districts as of 1 a.m., July 1, 2014. The following allocations and categorizations, subject to the limits of SECTION IIIB, Article XI, of the Oregon Constitution, make the aggregate levy.

	Subject to the General Government Limitation	Excluded from the Limitation
Gross tax levy	\$6.3984 per \$1,000 of Assessed Value	
Public Safety Levy	\$1.15 per \$1,000 of Assessed Value	
Debt Service		\$ 1,261,058
Linn/Benton Sewer Certification		\$ 58,000

Passed by the Council: \_\_\_\_\_

Approved by the Mayor: \_\_\_\_\_

Effective Date: \_\_\_\_\_

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk



TO: Albany City Council

VIA: Wes Hare, City Manager  
Mark Shepard, P.E., Public Works Director & Community Development Director *MWS*

FROM: Jeff Babbitt, Senior Accountant *JB*

DATE: May 29, 2014, for the June 11, 2014, City Council Meeting

SUBJECT: Capital Improvement Program (CIP) Public Hearing and Resolution

Action Requested:

Staff recommends Council consideration and adoption of the 2015-2019 Capital Improvement Program (CIP) by adopting the attached resolution.

Discussion:

This evening the City Council is holding a public hearing to consider the adoption of the 2015-2019 Capital Improvement Program (CIP). The City Council, Planning Commission, and Budget Committee held a joint work session on April 3, 2014, to review and comment on the draft 2015-2019 CIP document. Based on the comments received, changes were made and an updated document was circulated on May 14, 2014, to the City Council, Planning Commission, Budget Committee, and staff. In addition, the document was made available to the public at the Main Library and Carnegie Library, the Public Works counter, and on the City's web site. No public comments have been received on the 2015-2019 CIP.

Upon deliberation after the Public Hearing, Council may make any necessary changes to the proposed plan and act upon the attached resolution for adoption of the 2015-2019 Capital Improvement Program. The CIP is typically adopted in advance of the City Budget and before the new fiscal year beginning on July 1, 2014.

Budget Impact:

If adopted, the first year's projects will be incorporated in the FY 2014-2015 City Budget.

JMB:kw  
Attachment

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION CALLING FOR THE ADOPTION OF THE 2015-2019 CAPITAL IMPROVEMENT PROGRAM.

WHEREAS, the Capital Improvement Program of the City of Albany is a long-term planning document intended to allow for prioritization, financing, coordination, and timely technical design and construction of projects to better serve the citizens of Albany; and

WHEREAS, the Capital Improvement Program plays a vital role in the budget process; land use planning; facility plan implementation; and coordination with the state, county, and other local municipalities; and

WHEREAS, the projects listed in the 2015-2019 Capital Improvement Program have been prioritized; and

WHEREAS, the Albany City Council held a public hearing on June 11, 2014, on the proposed 2015-2019 Capital Improvement Program.

NOW, THEREFORE, BE IT RESOLVED that the Albany City Council hereby approves and adopts the 2015-2019 Capital Improvement Program.

DATED AND EFFECTIVE THIS 11<sup>TH</sup> DAY OF JUNE 2014.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk



TO: Albany City Council  
VIA: Wes Hare, City Manager  
FROM: Mark W. Shepard, P.E., Public Works Director and Community Development Director MWS  
DATE: June 3, 2014, for the June 11, 2014, City Council Meeting  
SUBJECT: Sewer Rate and Industrial Permit Increase for July 1, 2014  
RELATES TO STRATEGIC PLAN THEME: 

- A Safe City
- An Effective Government

Action Requested:

Staff recommends Council receive public input regarding the proposed sewer rate increase. Upon receiving public input, staff recommends that Council adopt the attached sewer rate Resolution implementing the 8 percent (8%) rate increase effective July 1, 2014. An increase in the City's Industrial Wastewater Discharge Permit fees is also recommended and included in the rate Resolution.

Discussion:

Staff discussed the proposed sewer rate increase at the May 12, 2014, City Council Work Session. At the Work Session, Council directed staff to bring forward an 8 percent (8%) sewer rate increase for further consideration.

*Sewer Rates*

In January 2012 Council received a report regarding the five-year water and sewer system needs and a projection of system rate requirements to support the two utilities. Council approved a target of \$2.3 million in annual sewer system capital revenues by fiscal year 2017. A projection of the five-year rate requirements was developed and presented to provide Council with a picture of what it will require over time to reach this capital investment need. Each year staff updates the rate picture as part of the annual rate discussions with Council. This year is the third year in the initial five-year plan.

In the May 2013 sewer report to Council, staff anticipated that an 8 percent (8%) sewer rate increase would be required in July 2014. Staff completed an updated analysis of sewer rate needs based on year-to-date information and revised projections of expenses and revenues in the sewer utility. The evaluation identifies that the rate increase can be reduced to 6 percent (6%) and still meets the target goals established by the Council in 2012.

In addition to the rate increase, staff recommends increasing the permit fees for Significant Industrial Users (SIU) to reflect the increase in fees charged to the City by DEQ for these permits. The current fee is \$537. The proposed new fee is \$553. These fees only cover the City's cost to DEQ and do not recover any staff time in issuing or monitoring the permits.

*Unfunded Needs*

The five-year sewer capital revenue plan approved by Council is focused on programmed replacement of aging infrastructure that is at the point of failure. Consequently, the \$2.3 million capital target referenced above does not provide for any investment in capacity-increasing projects to avoid sewer overflows during rain events that could lead to permit violations and/or sewer backups.

Staff has previously informed Council about these significant needs; however, we do not have enough information to identify project limits and specific estimate costs. We have been working on updating the hydraulic model of the collection system so that we can better identify the scope and cost of these capacity-increasing projects. The modeling effort is not complete, but preliminary results reveal significant capacity restrictions that will likely cost \$25 million or more to address. These costs are not programmed into the current rate projection.

Many of the existing capacity restrictions (undersized pipes) result in the City not being able to comply with our sewer discharge permit from DEQ. In addition, the capacity restrictions can result in sewer overflows at manholes and sewer backups into basements. It is important to recognize that these are existing problems and not created by future growth. As a result, the City's ability to respond to economic development opportunities and growth could be limited.

Staff previously informed Council about anticipated capacity issues on the River Front Interceptor (RFI) and Cox Creek Interceptor. Preliminary modeling has confirmed the problems with the RFI and Cox Creek Interceptor as well as identified other locations with capacity constraints. When the modeling effort is complete, staff will be able to clearly identify project scopes, costs, and suggested replacement schedules. This information will help identify near-term needs in order to meet regulatory compliance and economic development needs and, therefore, inform future rate discussions.

Staff will bring this issue forward to Council for further discussion when the modeling effort has been completed and more information is available. However, it is important to keep these currently unfunded, capacity-increasing projects in mind while evaluating sewer rate needs.

#### *Next Steps*

The minimum rate increase required to stay on track with the Council-approved goal of generating \$2.3 million annually for capital projects is 6 percent (6%). Council is considering a rate increase of 8 percent (8%). The 8 percent increase was anticipated in the last projection. An 8 percent increase would be a small step toward addressing the significant unfunded capital needs. If Council chooses to implement the 8 percent rate increase, additional revenue that is generated will be placed in reserve for funding of future capital projects.

Council may also want to take into consideration that the Engineering News Record (ENR) construction costs index for this past year has increased by 7.6 percent (7.6%). This is almost double the increase experienced in recent years. The index provides some perspective on the current trend in capital construction costs.

Attachment "A" provides a more detailed discussion of sewer revenues and requirements and provides an updated five-year rate projection. This is the same information that staff has presented annually to Council during each rate discussion. It has been updated with current sewer rate revenue projections for the next five years. This document is provided as background for Council and the public.

Budget Impact:

The following table provides estimates for the anticipated additional revenue a 6 percent (6%) and 8 percent (8%) sewer rate increase will generate.

Proposed Rate Increase	Estimated Additional Revenue Generated
6 Percent (6%)	\$818,000
8 Percent (8%)	\$1,090,000

The following table identifies the monthly impact to a residential sewer customer being charged for eight units of sewer usage based upon a 6 percent (6%) and 8 percent (8%) sewer rate increase.

Proposed Rate Increase	Monthly Increase for a Residential Customer Billed for 6 Units of Sewer Usage	Total Monthly Sewer Charges for a Residential Customer for 6 Units of Sewer
6 Percent (6%)	\$2.79	\$49.25
8 Percent (8%)	\$3.72	\$50.18

MWS:kw  
 Attachments A – Sewer

## ATTACHMENT A - SEWER

### *Background*

The Albany Strategic Plan identifies the importance of a safe and reliable sanitary sewer service to Albany citizens while also meeting federal and state environmental requirements for the system. To accomplish this, the City proactively manages the system. Part of managing the system is to plan for the needed system revenues and expenditures. There are no general fund resources used to support the sewer utility. All functions to operate and maintain the sewer system are funded through sewer revenues generated by service charges, System Development Charges (SDCs), and other permit fees. Grant funding is used to augment revenues when available.

Similar to most budgets, there are three components to the cost of running and maintaining the utility expenditures. The three expenditure components are:

- Debt Service
- Operation and Maintenance
- Capital Expenditures

These three components are interdependent and impacts to funding of any one of the components ripple into the other two.

**Debt Service** – The City’s first obligation is to pay off the debts that we owe. At times utilities borrow money to complete large capital improvement projects that cannot be funded with pay-as-you-go funding. The Albany Millersburg Water Reclamation Facility (WRF) is an example of this type of large project.

The largest debt the City holds is for sewer utility improvements that the community chose to make several years ago. The sewer debt is in the form of a loan from the State of Oregon administered by the Department of Environmental Quality (DEQ). The debt agreements have specific requirements for repayment as well as annual revenue generation. Repayment of the debt is made through a combination of rate funds and System Development Charges.

**Operation and Maintenance** – The City’s second obligation is to properly operate and maintain the existing sewer facilities. These assets include the pipe systems, sewer lift stations, and the treatment facilities to treat the wastewater. In addition, there are monitoring and enforcement obligations that the City must accomplish in order to continue to meet state and federal permit requirements.

Proper operation and maintenance reduces the risk of system failures that can lead to interruption of service or violation of health and environmental standards. Proper maintenance can also reduce overall expenditures including capital needs and prolong the service life of infrastructure components.

**Capital Expenditures** - Finally, the City needs to invest in capital improvements to replace failing and undersized infrastructure. Adequate investment in this work provides for reliable service to existing customers and anticipates needs to support economic development in the community. Almost all capital expenditures are made to replace failing or undersized infrastructure or in response to mandated regulations to protect Albany’s citizens and the environment.

Regular capital investment in the utility infrastructure will reduce the risk of system failures that can lead to interruption of service or violation of health or environmental standards. Targeted capital expenditures will also reduce the ongoing maintenance costs associated with operating the utilities.

### *Revenue and Rate Picture*

Staff has prepared a five-year projection for the sewer fund. However, it is likely that the revenue and expenditure picture will change as we move into the future. The requirement to pay off the existing debt in the sewer funds is fixed. However, there are significant variables that can impact the operation and capital requirements for the sewer system. Following is a list of the variables that will impact the rate picture over time:

- Rate Revenues – While we have been fairly accurate in past revenue projections, the economic times have made it more difficult to predict what revenue the utilities will receive. The state of the economy can dramatically impact revenues in either direction. In addition, weather can impact revenues.
- SDC Revenue – The revenue the City receives from SDCs is driven by the amount of development happening in the City. The projections in this memo are conservative in that they assume moderate SDC revenues. If development picks up, so will SDC revenues, which can change the long-term picture of rates.
- Personnel and Other Large Operation Expenses – Personnel costs are the largest single driver impacting operating expenses. The cost of fuels, chemicals, and electricity can also have large impacts on expenditures and, therefore, rate requirements.
- Unforeseen Capital Needs – Staff is able to project and identify most significant capital needs in a timely manner such that there is time to plan and incorporate the need into long-range rate planning. However, there are instances when unforeseen issues arise that require unanticipated expenditures. We are continually working to improve our understanding of the current condition of facilities through a properly functioning asset management program in order to minimize unanticipated needs.
- WRF Sludge Issues – The underperformance of the WRF solids system has resulted in a significant cost to the City when a savings was originally anticipated. Until the system can be corrected, this will continue to impact the sewer budget.

In January 2012 Council supported a targeted plan for meeting the debt, O&M, and capital investment needs in order to maintain the utilities at a level so they can continue to meet service needs, meet environmental regulations, and minimize the need for unpredictable large rate increases.

### *Current and Future Revenue Needs*

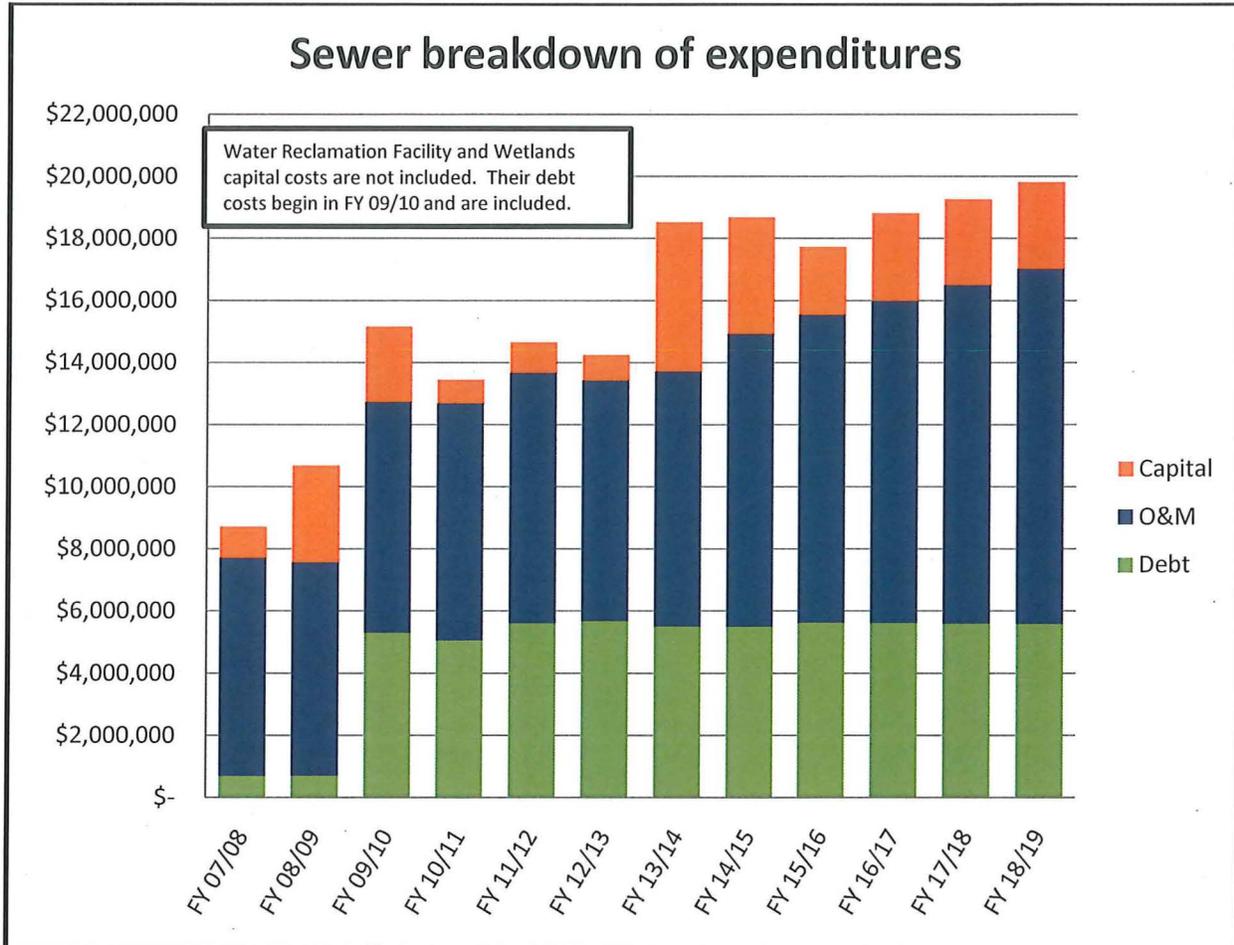
Following is a summary of the revenues and expenditure needs for the sewer system:

#### **Revenues:**

- Rate Revenue - The current estimated total sewer rate revenue the City will receive in the 2014 fiscal year is \$13.65 million. This is approximately \$20,000 more than the revenue estimated during the budget development process last year.
- SDC Revenues – SDC revenues vary year to year depending upon the pace of development in the community. It is anticipated that in fiscal year 2014, the City will receive approximately \$450,000. For the future projections, staff has assumed \$320,000 in annual SDC revenue. This is equivalent to approximately 130 home starts in a year. SDC revenues for the past three fiscal years averaged about \$429,000. The SDC estimates may be conservative, but they provide a relative picture of SDC funding availability. If development patterns change and SDC revenues increase or decrease, the future analysis will be adjusted to reflect that change.

**Expenditures:**

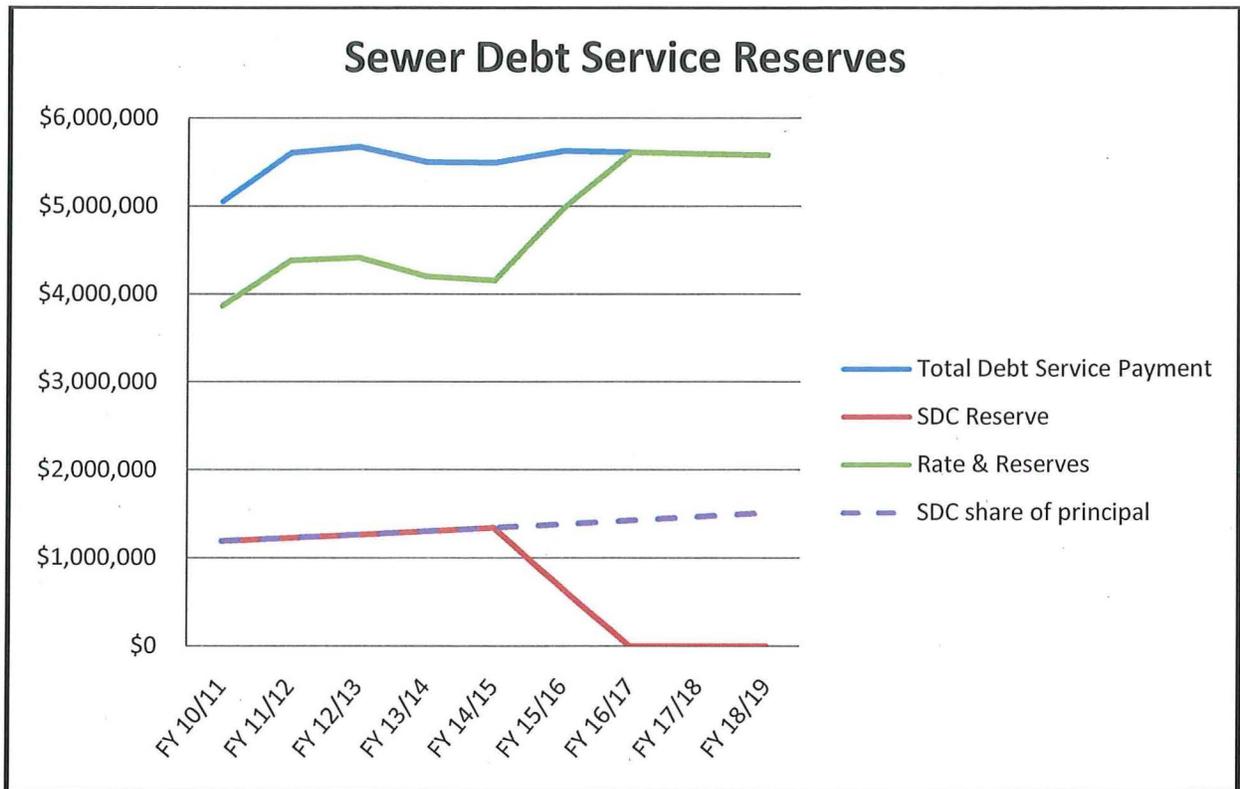
The following graph shows how sewer expenditures are split between the three expenditure areas:



**Debt Service:** In order to complete the Water Reclamation Facility (WRF) and Talking Waters Garden (TWG) Wetlands project, the City borrowed approximately \$77.2 million. While the City was able to secure low-interest financing for these projects, the annual debt payments are significant. The total debt service associated with the construction of the WRF and the TWG wetlands treatment projects amounts to approximately \$5.6 million per year through the year 2032. Albany’s share after Millersburg’s contribution toward debt service is approximately \$5.2 million per year.

Both rate revenue and SDC revenues are responsible for paying off the debt for the wastewater improvements. Rate revenues are responsible for all interest costs and 55 percent of the principal payments for the WRF and 100 percent of the TWG. In fiscal year 2015 this equals approximately \$3.74 million. SDCs are responsible for 45 percent of the debt principal payment for the WRF because a significant portion of the facility was sized to serve future capacity needs. In fiscal year 2015 this equals \$1.34 million.

Both rate and SDC reserves have been created in order to help pay for the debt service; however, these reserves will be exhausted in the coming years as rate and SDC revenues do not keep pace with the funding needs. It is estimated that the SDC reserves will be exhausted by 2015-16. Subsequently, sewer rate revenues will need to be borrowed by the SDC fund to cover the debt service obligation. The following graph shows how rate requirements for debt service are impacted as reserves are spent down.



As part of the loan agreement the City has with the Oregon Department of Environmental Quality (DEQ), the City is required to annually collect net revenues at 1.05 times the yearly amount owed in debt service payments. This is the debt coverage ratio. The DEQ will allow Albany to include SDC revenues in the debt coverage ratio calculation. Previously staff worked with DEQ to lower our debt coverage ratio from 1.25 to 1.05 by increasing our reserves.

**Operation and Maintenance:** Rising employment, chemical, and energy costs impact the O&M budget. In addition, the lack of recent investment in the wastewater collection system and the current challenges that are being experienced at the WRF further stress the O&M budget.

Cost reduction measures have reduced the five-year O&M cost increase average from 7 percent (7%) to 3 percent (3%). For the five-year projection, a 5 percent (5%) per year increase has been used for O&M. Public Works will continually evaluate how to do things more efficiently and make sure funds are appropriately targeted. However, most maintenance activities cannot be deferred without increasing the risk of sewer failures resulting in potential sewer backups and other impacts from failed systems.

**Capital:** The City needs to invest in capital projects to replace failing and/or undersized infrastructure. Adequate investment provides for reliable service to existing customers and anticipates needs to support economic development and growth. A five-year look at the sewer fund revenues and expenditures shows a decreasing amount of rate revenue money available for capital maintenance projects unless additional funding is provided. If rate increases are limited to just the revenue required to meet debt coverage and O&M expenses, no rate revenue will be available for capital projects by 2017, with only minimal investments made in the interim.

Identifying the appropriate level of capital funding must be balanced with the burden it places on the rate payers. It is vital to have enough capital funding available to replace the worst infrastructure in a reasonable time in order to reduce the risk of failures, sewer backups into basements, surcharging, sink

holes, and environmental permit violations. It is also important to be able to address problems that result in recurring high operation and maintenance costs.

The remaining capital need in treatment is the solids process improvements. Additionally, there has only been limited investment in the collection system in the past. This has resulted in significant issues in the collection system going unaddressed. Staff has evaluated the immediate collection system needs in order to identify what minimum capital funding is required.

An annual amount of \$2.3 million is required to meet a minimum capital replacement program. Recent sewer pipeline condition assessment reports indicate that approximately \$1.5 million will be needed in capital expenditures each year for the next ten years in order to repair pipes that are currently nearing failure. If these repairs are not completed, disruptions in service can be expected, extensive emergency repair expenditures may be required, and the City may violate our environmental permits. In addition, an annual capital expenditure of approximately \$500,000 should be allocated for the Sewer Lateral Replacement Program, the Rain Drain Disconnection Program, and the Inflow Reduction Program. These programs help to reduce overflows and eliminate capacity issues in the collection system.

The level of funding described above is not a strong proactive, Perpetual Life Replacement program, but a minimum recommendation based on recent assessment of the approximately 220 miles of sewer pipelines. The funding level does not address other significant capital needs in the collection system. In addition to the need to replace failing sewer lines, there are major projects that will be necessary to allow further development of properties in a couple of sewer basins. These include the Cox Creek interceptor improvements and potential improvements to the Riverfront Interceptor (RFI). These and other projects are likely to cost in excess of \$20 million.

The Riverfront Interceptor (RFI) has wet weather capacity problems that came to light in December of 2010. An analysis was done on the RFI in conjunction with the WRF improvement project to evaluate its capacity. This analysis indicated that the RFI had the capacity to convey flows received during winter rains up to a five-year storm. However, there have been multiple events that caused the pipeline to overflow during storms that were less than five-year storms.

A sewer system computer modeling effort is currently underway to better define the issues with the RFI and to look at other capacity needs for the system through build out of the community.

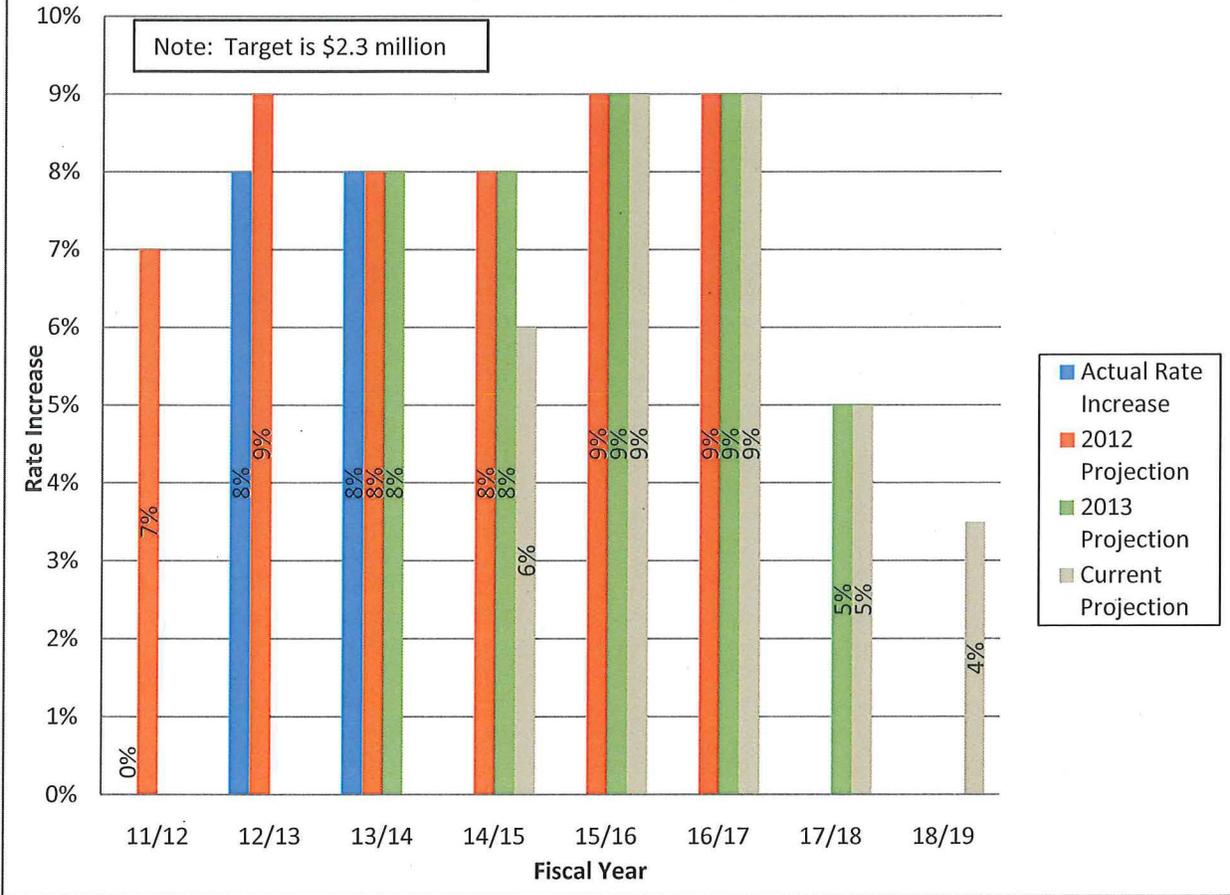
### Summary

A sewer rate increase of 6 percent (6%) is necessary effective July 2014. This rate increase will help the City to continue to build toward an adequately funded system to address the many challenges that are present. This rate increase is lower than the previously projected rate increase for this year.

Council may want to consider implementing the 8 percent (8%) rate increase that was previously projected in order to generate more capital in anticipation of the high cost for completing capacity improvements that are anticipated, but not accounted for in the current funding and rate models.

The following graph compares the anticipated rate increases as projected in July of 2012 to the current projection for rate increases. It also shows the actual rate increases implemented in the past and proposed for this year.

## Five-year Rate Projection



RESOLUTION NO. \_\_\_\_\_

A RESOLUTION SETTING RATES FOR WASTEWATER SYSTEM USE AND REPEALING RESOLUTION NO. 6230.

WHEREAS, the Council of the City of Albany has duly adopted prior Ordinances declaring their intent to establish a sewer rate structure that is based on the principle that all users pay their equitable share of sewer system costs; and

WHEREAS, it is necessary that users with relatively homogeneous wastewater loading are grouped together and rates are developed for the average loadings in that group; and

WHEREAS, in establishing equities in sewer use rates, the established customer classes are residential; low-, medium-, and high-strength commercial; and industrial; and

WHEREAS, rate policies should be established for customers with no prior history, customers on wells or otherwise not connected to City water, and unique sewer customers such as commercial waste haulers; and

WHEREAS, an equitable rate structure generally requires a fixed charge for each user plus a volume rate that depends on the use of the system be established; and

WHEREAS, the rate structure should be designed to encourage water conservation and provide customers reasonable control over their bills; and

WHEREAS, prior Resolution No. 4920 clarified the definition of “commercial unit” and provides useful context and history should it be necessary to interpret the current resolution; and

WHEREAS, prior Resolution No. 5055 clarified the application of the term, “dwelling unit” to multi-family housing types and provides useful context and history should it be necessary to interpret the current resolution; and

WHEREAS, Chapter 10.06 of the Albany Municipal Code sets forth requirements to manage and recover the costs of an Industrial Pretreatment Program as detailed in Federal Regulations 40 CFR Part 403; and

WHEREAS, the Oregon Department of Environmental Quality (DEQ) currently charges an annual fee for each “significant industrial user” served by the Albany wastewater system; and

WHEREAS, the City Council has determined that current sewer customers lawfully served by an existing potable water supply well should be given an alternative method for determining volume charges for sewer billing purposes only.

NOW, THEREFORE, BE IT RESOLVED by the Albany City Council that the rates and charges for sewer service as specifically described in Exhibit “A” (attached hereto) are hereby adopted; and

BE IT FURTHER RESOLVED that Resolution No. **6230** is hereby repealed; and

BE IT FURTHER RESOLVED that Resolution Nos. 4920 and 5055 are superseded by this resolution only to the extent of a conflict with this resolution in which case, this resolution shall control; and

BE IT FURTHER RESOLVED that current sewer customers served by an existing potable water supply may apply for approval to use a private meter for volume billing purposes only in accordance with procedures described herein; and

BE IT FURTHER RESOLVED, nothing herein exempts any property, property owner, or sewer customer from any requirement to be connected to the City water system established by any other ordinance or regulation; and

BE IT FURTHER RESOLVED that the terms of service established by this resolution shall be effective **July 1, 2014.**

DATED THIS 11<sup>th</sup> DAY OF JUNE 2014.

---

Mayor

ATTEST:

---

City Clerk

## EXHIBIT "A"

### RESIDENTIAL

---

For each residential customer, the monthly bill for sewer service shall be computed as follows:

$$A = (\text{fixed charge} \times B) + (\text{volume rate} \times C)$$

where: A = monthly bill  
B = the number of dwelling units for residential customer  
C = the monthly water consumption expressed in hundreds of cubic feet (Ccf)

and where: Fixed charges and volume rates by fiscal year are included in the rate schedule below.

#### RATE SCHEDULE

<u>Customer Class</u>	<u>Fiscal Year (effective July 1) 2014-15</u>
<u>Fixed Charge</u>	
Residential	\$32.647 \$35.259
<u>Volume Rate (\$/Ccf)<sup>1</sup></u>	
Residential	\$2.302 \$ 2.486

<sup>1</sup> Ccf = one hundred cubic feet or approximately 750 gallons

#### Fixed Charges:

Residential customers include all single-family and multi-family housing units, including manufactured or mobile home parks. Duplexes and other multi-family units will be charged a monthly fixed charge for each dwelling unit. For purposes of clarifying sewer fixed charges, "dwelling unit," as that term is applied to duplexes, residential parks, and other multi-family units, shall be defined as any place of human habitation designed for occupancy based upon separate leases, rental agreements, or other written instruments. Current rental practices will not be dispositive of the question of how a dwelling is "designed" for occupancy.

The City's past practice of charging a separate fixed charge component for each bedroom of a "quad" or "quint" type apartment so long as each such bedroom is designed for occupancy by virtue of a separate lease, rental agreement, or other written instrument is hereby affirmed. The number of fixed charge components of the monthly sewer bill for a "quad" or "quint" apartment shall not exceed the number of toilets available for the discharge of human waste into the City's sanitary sewer system. By way of illustration, a "quad" unit, which has four bedrooms (each of which is designed for occupancy based on a separate lease, rental agreement, or other written instrument) and which has two toilets to be shared among the occupants of the "quad," shall have the fixed charge component of the bill capped at two fixed charge components. If a similar "quad" had four toilets, the fixed charged portion of its bill would be four fixed charge components. If a similar quad had five or more toilets available for occupants use, it would still only be charged four fixed charge components because it contains four habitable bedrooms (each of which is designed for occupancy based on a separate lease, rental agreement, or other written instrument).

#### Volume Rates:

The volume rates for residential customers will be calculated using "average" winter water meter readings from City installed or private water meters as approved herein. The monthly average will be calculated using the monthly water meter readings from November, December, January, and February. Each July the residential customer's sewer bill will be adjusted using the monthly average water meter readings from those previous winter months.

For residential customers with no water meter history including new connections, accounts with no recent water meter history, accounts receiving water service from a well, and new homeowners in a home with previous water meter

history, eight (8) Ccf will be used to calculate the monthly bill until the monthly average using the winter water meter readings can be calculated and applied.

Alternative Volume Rates:

Current customers, as of the effective date of this resolution, receiving potable water for human consumption from an existing well may apply to install approved metering facilities to measure water use for sewer billing purposes. To be eligible for this option, customers must receive prior written approval from the Public Works Director based upon standards promulgated for determining suitability of such facilities. This option is only available to current customers lawfully served by an existing potable water supply.

The metering facilities (meter type, meter size, piping configuration, etc.) and all other conditions (property and facility access provisions, meter testing, etc.) must be in accordance with standards established by the Public Works Director. All costs associated with this alternative sewer billing option will be borne solely by the customer.

Nothing herein exempts any property, property owner, or sewer customer from any requirement to be connected to the City water system established by any other ordinance or regulation.

## COMMERCIAL

For each commercial customer, the monthly bill for sewer service shall be computed as follows:

$$A = (\text{fixed charge} \times B) + (\text{volume rate} \times C)$$

where: A = monthly bill  
B = the number of commercial units served by the sewer service  
C = the monthly water consumption expressed in hundreds of cubic feet (Ccf).

and where: Fixed charge and volume rate for the customer class and fiscal year are included in the rate schedule below.

### RATE SCHEDULE

Customer Class	Fiscal Year (effective July 1)
<b>2014-15</b>	
<b><i>Fixed Charges</i></b>	
Commercial	
Low	\$4.076 \$ 4.402
Medium	\$15.757 \$17.018
High	\$18.209 \$19.666
<b><i>Volume Rates (\$/Ccf)<sup>1</sup></i></b>	
Commercial	
Low	\$6.478 \$ 6.996
Medium	\$8.248 \$ 8.908
High	\$13.486 \$14.565

<sup>1</sup> Ccf = one hundred cubic feet or approximately 750 gallons

### Customer Classification:

Commercial accounts will be classified according to their strength of wastewater as described in the Commercial Customer Classification List (Appendix A). If a commercial customer cannot be easily categorized, the customer will be asked to submit estimated wastewater flow and strength data with a description of the type of business activities to the Public Works Director. The Public Works Director will make the final determination of customer classification for each commercial customer.

For commercial customers where a single water meter serves a building with multiple commercial uses, the classification for the entire account will normally be based on the single highest classification within the building. For example, if a building contains both offices and restaurants, the entire account bill would be calculated using the rates for a restaurant customer. In addition, for commercial customers where a single water meter serves a building with multiple commercial uses, the monthly fixed charge will be based on the number of commercial units being served by the wastewater service.

For the purpose of clarifying sewer fixed charges “commercial unit” shall be defined as each portion of a commercial use that has plumbing fixtures connected to the sanitary sewer system and which is designated for occupancy based upon a property right. Property right for purposes of this definition includes ownership, a leasehold interest, or any contractually-based right to occupancy of 12 or more hours in any 24-hour period.

### Monthly Water Consumptive Use for Volume Rate:

- Average Winter Water Use. The volume rates for most commercial customers will be calculated using “average” winter water meter readings from City installed or private water meters as approved herein. The monthly average will be calculated using the monthly water meter readings from November, December, January, and February. Each July the commercial customer’s sewer bill will be adjusted using the monthly average water meter readings from those previous winter months.

- Actual Water Use. For commercial customers whose water meter readings, from City installed or private water meters as approved herein, vary widely on a monthly basis due to changes in business sales or other non-irrigation factors (including but not limited to: restaurants, grocery stores, mortuaries, motels, industrial launderers, and others as the City may determine), the volume rates will be calculated using the actual water meter reading from the previous month.
- No Water Use History. Some commercial customers will have no water meter history including new connections, accounts with no previous water meter history, accounts receiving water service from a well, or a new business in a building with previous water meter history. For those new customers, the City will use the average water meter reading of existing customers in the same commercial classification (e.g., low, medium, high) provided that the existing customer(s) are similar in operation and scale as the new customer. That information will generally be used to calculate the monthly bill until a history for the account can be established. Should no similar existing customer exist, the City will use 8 Ccf for low strength commercial, 20 Ccf for medium strength commercial, and 35 Ccf for high strength commercial customers as the basis for calculating the monthly bill.

It may take as long as a year of water meter history to establish a specific customer's average use of the system if billed using "average" winter water meter readings. It will take only one (1) month of water meter history to establish the specific customer's actual use of the system if billed using actual water meter readings from the previous month.

If a type of customer within the general classification system has a specific "average" winter water use history that differs greatly from the water use history of the classification as a whole, then the specific history may be used until a history for the account can be established. If a commercial customer disagrees with the City's determination regarding their water use for billing purposes, the customer will be required to submit wastewater flow and strength data with a description of the type of business activities to the Public Works Director. The Public Works Director will make the final determination of customer use of the system for each commercial customer.

#### Alternative Volume Rates:

Current customers, as of the effective date of this resolution, receiving potable water for human consumption from an existing well may apply to install approved metering facilities to measure water use for sewer billing purposes. To be eligible for this option, customers must receive prior written approval from the Public Works Director based upon standards promulgated for determining suitability of such facilities. This option is only available to current customers lawfully served by an existing potable water supply.

The metering facilities (meter type, meter size, piping configuration, etc.) and all other conditions (property and facility access provisions, meter testing, etc.) must be in accordance with standards established by the Public Works Director. All costs associated with this alternative sewer billing option will be borne solely by the customer.

Nothing herein exempts any property, property owner, or sewer customer from any requirement to be connected to the City water system established by any other ordinance or regulation.

**INDUSTRIAL**

Process Wastewater. For process wastewater from each industrial customer, the monthly bill for sewer service shall be computed as follows:

$$A = (\text{Flow} \times \text{Flow unit charge}) + (\text{BOD} \times \text{BOD unit charge}) + (\text{TSS} \times \text{TSS unit charge})$$

where: A = monthly bill  
 Flow, BOD, & TSS = data collected monthly from the industrial customer's wastestream

and where flow, BOD, & TSS unit charges for the industrial customer class are included in the monthly rate schedule below.

RATE SCHEDULE

Customer Class

*Industrial Unit Charges*

Flow (\$/Ccf) <sup>1</sup>	\$3.208	\$3.465
Biochemical Oxygen Demand (BOD) (\$/lb.)	\$0.826	\$0.892
Total Suspended Solids (TSS) (\$/lb.)	\$1.105	\$1.193

<sup>1</sup> Ccf = one hundred cubic feet or approximately 750 gallons

Non-Process Wastewater. For industrial customers that do not have separate water meter service to supply the non-process portions of their facilities, the monthly bill for domestic (non-process) wastewater service shall be billed at the Commercial-Low Strength rate and the domestic use shall be estimated using the following formula:

$$A = (B \times C \times D) / (748 \text{ gallons per Ccf})$$

where: A = estimated domestic discharge per month  
 B = average number of full-time employees during the month based on monthly employment data  
 C = the total number of working days in the month  
 D = the average discharge allowance per employee per day, estimated to be 15 gallons per day

Each industrial customer without separate water meter service to supply the non-process portions of their facilities shall submit monthly employment and operating information to the City of Albany. Submitted information shall include the industry's number of full-time equivalent employees that month and the total number of production days that month.

Wastewater Discharge Permit. A Wastewater Discharge Permit may be required for any significant industrial user (SIU) as defined by Chapter 10.06 of the Albany Municipal Code. Chapter 10.06 also defines the requirements and conditions that must be addressed by the permittee and provides the authority to establish a permit fee. The permit fee is designed only to recover the direct costs paid to the Oregon Department of Environmental Quality (DEQ) as follows:

Wastewater Discharge Permit Fee	
	Annual Fee
Significant Industrial User	\$537 \$553

## OTHER

---

### Commercial and Contracted Waste Haulers:

For commercial and contracted waste haulers transporting and discharging domestic septic tank waste, waste from chemical toilets, or other waste as may be approved, the monthly bill for sewer service shall be computed as follows:

#### Holding Tank and Chemical Toilet Waste:

$$A = B \times C$$

where: A = monthly bill  
B = total monthly volume discharged in gallons  
C = ~~\$0.13~~ **\$0.14** per gallon

#### Septic Tank Cleanings:

$$A = B \times C$$

where: A = monthly bill  
B = total monthly volume discharged in gallons  
C = ~~\$0.13~~ **\$0.14** per gallon

#### Valley Landfill:

$$A = B \times C$$

where: A = monthly bill  
B = total monthly volume discharged in gallons  
C = ~~\$0.043~~ **\$0.046** per gallon

For commercial or contracted waste haulers without a specific rate specified above, the potential customer shall work with City of Albany staff to develop cost-of-service rates. Rates will be codified if the service agreement becomes a long-term arrangement.

## APPENDIX A

### CITY OF ALBANY COMMERCIAL CUSTOMER CLASSIFICATION COMBINED AVERAGE STRENGTH CATEGORIES & STANDARD INDUSTRIAL CLASSIFICATION

#### Waste characteristic allocation:

The City of Albany does not have a monitoring program for all commercial customers and consequently does not have specific monitoring data on all of Albany's commercial customers. However, an extensive project was undertaken by the City of Portland Bureau of Environmental Services (BES) to determine wastewater characteristics by Standard Industry Classification (SIC) codes based upon monitoring data for Portland's customers and using data from other cities.

The City of Portland's wastewater characteristic study data is based on BOD and TSS information from commercial customers in Portland and 28 additional cities, and the customer list is representative of the Albany commercial businesses. The City of Salem is also using the Portland BES data to classify their commercial customers. Albany will continue to refine this database as additional waste characterization data becomes known.

#### COMMERCIAL LOW-STRENGTH (UP TO 450 MG/L COMBINED BOD/TSS)

##### Offices & Services:

- Accounting, Auditing, and Bookkeeping Services (8721)
- Adjustment and Collection Services (7322)
- Amusement & Recreation Services NEC (7999)
- Banks & Credit Unions (6021, 6022, 6141)
- Barber & Beauty Shops (7241, 7231)
- Child Day Care Services (8351)
- Computer and Computer Software Stores (5734)
- Correctional Institutions (9223)
- Employment Agencies (7361)
- Engineering Services (8711)
- Gasoline Service Stations (5541)
- Individual and Family Social Services (8322)
- Insurance Agents, Brokers, and Service (6411)
- Investment Advice (6282)
- Legal Services (8111)
- Libraries (8231)
- Medical & Dental Offices & Clinics (including chiropractors, health practitioners, optometrists)  
(8011, 8021, 8041, 8042, 8049)
- Motels (7011)
- Museums and Art Galleries (8412)
- Nursing Care Facilities (8051)
- Schools (Elementary & Secondary) and Educational Services (8211)
- Taxicabs (4121)
- Title Insurance (6361)
- Trucking - local with storage (4214)

##### General Retail Businesses:

- Apparel, Accessory, Jewelry & Shoe Stores (5699, 5641, 5651, 5944, 5661)
- Auto equipment/supplies, new/used - NEC (5599)
- Beer, Ale, & Liquor Stores - wholesale & distribution (5181 & 5921)
- Boat Dealers (5551)
- Book Stores (5942)
- Coin-Operated Laundries (7215)
- Department Stores (5311)

Floor Covering Stores (5713)  
Florists (5992)  
Groceries, wholesale & distribution (5141)  
Hobby, Toy, and Game Shops (5945)  
Home Furnishings & Hardware Stores (5719, 5251)  
Miscellaneous food stores - minimarts without kitchens (5499)  
Musical Instrument Stores (5736)  
Paint, Glass, and Wallpaper Stores (sales but no mixing) (5231)  
Sporting Goods Stores and Bicycle Shops (5941)  
Tobacco Stores and Standards (5993)  
Used Merchandise Stores (5932)  
Video Tape Rental (7841)

**COMMERCIAL MEDIUM-STRENGTH (451 - 1,125 MG/L COMBINED BOD/TSS)**

Automotive/Mechanical repair &/or wash:

Airports, Flying Fields, and Airport Terminal Services  
Automotive Repair Shops NEC (7539)  
Carwashes (7542)  
Motor Vehicle Dealers - used cars (5521)

Specialty with medium-strength waste discharge:

Dry Cleaning Facilities (7216)  
Restaurants, Eating Places, Bars, & Taverns (5812)  
Funeral Services and Crematories (7261)  
Hospitals (8060)  
Junior Colleges and Technical Institutes (8222)  
Meat and Fish Markets, Including Freezer Provisioners (5421)  
Paints/Varnishes/Lacquers/Enamels mixing (2851)  
Photofinishing Laboratories (7384)  
Recreational Vehicle Parks (7033)  
Trucking - local with storage (4212)

**COMMERCIAL HIGH-STRENGTH (GREATER THAN 1,126 MG/L COMBINED BOD/TSS)**

Automotive:

Exhaust System Repair (7533), Transmission Repair (7537), Tire Shop (7534), General  
Automotive Repair (7538-see printout), Automotive Services (7549), Armature Rewinding  
Shop (7694)  
Motor Vehicle Dealers - new cars (5511)

Specialty with high-strength waste discharge:

Candy, Nut, and Confectionery Stores (5441)  
Disinfecting and Pest Control Services (7342)  
Fire Protection (9224)  
Grocery Stores with garbage disposals (5412)  
Industrial Launderers (7218)  
Malt Beverage Brewery (2082)  
Pharmaceutical Preparations (2834)  
Retail Bakeries - with kitchen (5461)  
Printing & Stamping on Fabric Articles - silk screening (2396)  
Trucking - long distance, not local (4213)  
Passenger car rental, no drivers for hire (7514)

CITY OF ALBANY  
CITY COUNCIL WORK SESSION  
Municipal Court Room  
Monday, April 7, 2014  
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 Bill Coburn, Floyd Collins, Bessie Johnson, Rich Kellum, Ray Kopczynski, and Dick Olsen.

Councilors absent: None.

BUSINESS FROM THE PUBLIC

Janet Steele, Albany Area Chamber of Commerce (Chamber) President, distributed a letter from the Board of Directors stating their unanimous support of a one-year moratorium on medical marijuana dispensaries. The Chamber Board of Directors represents approximately 550 businesses within the community. Steele said the Chamber has worked for many years on a drug-free workforce campaign and also recently started a Workforce Task Force. The number one issue the Task Force is facing is not being able to find qualified drug-free workers that have the necessary skill sets needed. Steele said a one-year moratorium will give the community time to better understand the ramifications of what will come about from dispensaries.

REPUBLIC SERVICES (RS) ROUTES AND HOURS REPORT

Kevin Hines, RS Division Manager, discussed route starting times. He said there was a concern from a customer about the 6:15 a.m. start time in their neighborhood. He said the truck serving that neighborhood has been rerouted to a different area for that time period. Typically, employees begin pre-trip checks at 6:00 a.m., and those take 10-20 minutes, so they begin their routes around 6:20-6:30 a.m. Hines explained that the first hour of routes is the most efficient because there are few vehicles and pedestrians on the roads. He said the routing schedule changed 10-15 years ago from five eight-hour days to four ten-hour days.

Councilor Bill Coburn asked if RS has considered offering document shredding. Hines said RS used to do it, but it is more of a noncore business and decided to go back to what they do well. Management Assistant/Public Information Officer Marilyn Smith said there is a free shred day on April 19 in the Ray's Market plaza.

Councilor Dick Olsen asked if industrial and commercial zone routes begin earlier. Hines said that they typically begin at 5:00 a.m. for industrial and commercial areas.

Hines asked the Councilors to forward any phone calls regarding garbage service to him.

REVIEW REQUEST FOR PROPOSAL FOR 401 MAIN STREET SE

Economic Development and Urban Renewal Director Kate Porsche said Assistant Public Works Director/Operations Manager Chris Bailey is out sick today, but Bailey did most of the work on this. Staff have been working on a Request for Proposals (RFP) for the old church property. She discussed the RFP document included in the agenda packet. Page four of the RFP outlines what must be included in the proposals submitted. Porsche directed the Council to page ten; this section was customized to fit the needs of the project and explains how proposals will be evaluated. The intended property use and financial plan will be strongly considered. She said the property is in the Central Albany Revitalization Area (CARA) boundary and she has already talked to 3-4 interested parties who may be submitting RFPs. She said there is a question included in the RFP asking if an individual plans to use CARA funding.

Porsche said she is seeking direction from Council to see if they wish to sell the property and be done with it or if they want to drive some specific use of the property in the future. If Council wants to have a specific use, there is the potential to structure the deal in a manner similar to CARA projects. She said one option is to make the loan interest forgivable if the property houses a certain type of business.

Councilor Bessie Johnson asked, can we tell people what they can do with the property if they buy it? City Manager Wes Hare said part of what staff is trying to sort out is the number of conditions to put on the sale of the property. He said the Council can say they wish to sell the property to whoever will pay the most or Council can say they want to see what the potential owner will do with the building. Johnson said she would like to see the building saved, but understands if that isn't possible due to cost constraints.

Councilor Rich Kellum said he is concerned with how this project may overlap with CARA. Hare said there is a separation of processes between CARA and the City. He said there is a separate budget and deliberation process for

CARA. However, it doesn't preclude the Council from talking about working with CARA. Porsche said if the City received an RFP stating that they would need CARA funds to make the project work, it would still be a policy question for the CARA Advisory Board. She said the Landmarks Advisory Commission (LAC) would also need to approve exterior alterations.

Kellum said he wants to make sure that anyone who submits an RFP knows what the zoning is for the area. Porsche said the zoning information is included in the RFP.

Coburn said it is appropriate to go the route of collecting proposals. He said it is not about telling a potential purchaser what to do, but finding something that is compatible with the City's plan. He would like to see the building saved and looks forward to seeing what happens.

Councilor Ray Kopczynski said he is concerned about what will happen if someone's proposal hinges on the use of CARA funding and the CARA Advisory Board doesn't approve the use of funds. He wondered if it would be good to include information in the RFP about other resources, such as CARA funding, being available to a potential buyer.

Konopa said the way the RFP is worded, someone could choose to move the church or keep it on site. Porsche said it is possible someone could move it, but it really isn't economically viable. She said the good news is the building can stay where it is. It's in a high traffic area that has great visibility. Johnson asked what the property's assessed value is. Porsche said the real market value is \$48,450. Olsen asked if there will be a minimum amount of money requested. Porsche said no, but a full financial plan will need to be submitted with all RFPs.

Councilor Floyd Collins agrees with putting the RFP out there and seeing what we get back. He feels uncomfortable telling people what they have to do with the property if they want to buy it. Olsen said the Council doesn't have to accept a proposal to tear the building down. Porsche said the LAC can put a one-year stay on demolition of a historic structure.

Porsche said staff is planning to have RFPs due on May 22 and then coming back to Council for award in late June. Collins voiced concerns about this interfering with Main Street repairs. He would like the RFPs to include a schedule of proceeding to avoid potential conflicts. Public Works and Community Development Director Mark Shepard said a buyer would have to go through several processes after the actual sales transaction; but staff can add the wording so there won't be a conflict.

Konopa asked if staff will reach out to the historic structure organizations to let them know about the RFP. Porsche said yes.

#### MEDICAL MARIJUANA DISPENSARIES ORDINANCE DISCUSSION

Deputy City Attorney Sean Kidd said he worked on the ordinance after the vote at the last Council meeting. He included an explanation in the moratorium ordinance of what and why the Council is choosing this.

Kellum said he thought we are choosing one of the ordinances. Konopa said that is correct, but we don't know which way it will go on Wednesday night. She said, we haven't voted on the ordinance yet, we've only had the first reading. Collins asked Konopa what the procedure will be for Wednesday night. Konopa said Council will have a second reading and from there the Council will deliberate. If that ordinance is approved, there will be no discussion on the second ordinance. If it fails, the Council will consider the second ordinance. Kidd said the main issue in the regulatory ordinance is keeping the dispensaries 300 feet away from residential zones. He said if Council chooses regulations, they are not bound by the May 1, 2014, deadline. He said if the Council chooses a moratorium, it would need to be done by May 1, 2014.

Kopczynski asked if it is possible to have a conditional use permit for existing dispensaries. Kidd said if the Council goes with a moratorium, he doesn't believe the Council can do that. He said it will be up to the District Attorney's office and the state to determine if a business is a dispensary. He said the conditional use permit would need to be allowed for everyone, not just one group or business.

Hare said a city can't impose different regulations for what it perceives to be different kinds of dispensaries. He said the Council can't say it is okay for one dispensary and not the rest. He said what staff has tried to do with the regulatory ordinance is protect residential zones.

Kopczynski asked if the rewriting of the ordinance would allow Canna Kitchen to stay in their location. Kidd said yes, they would be able to operate in their current location. Discussion followed.

Konopa asked that the regulatory ordinance is included for Wednesday's meeting.

#### SOUTH ALBANY HIGH SCHOOL TURF PARTNERSHIP PROPOSAL

Parks & Recreation Director Ed Hodney said the Council has received a request from supporters of South Albany High School Athletics to become a financial partner in the installation of artificial turf. He said the request is for the City to provide \$20,000 per year for up to eight years. He is requesting feedback from the Council regarding the request.

Kellum asked if someone from the athletics club or school is available to talk about the request. Hare said Greater Albany Public Schools Superintendent Maria Delapoe called him to discuss the project and conveyed that the District is in full support of it. He said she would be at tonight's meeting, but she is out of town. Hodney said this is a project he would fully support. He said the Parks & Recreation programs won't directly benefit from the project, but would have a chance to use the field. Kellum said Albany is in the middle of the grass seed capital of the world. He doesn't think funding this project is the right thing to do.

Kopczynski asked how much has been raised so far. Hodney doesn't have the number, but knows the school district is contributing \$35,000 per year toward the debt service payment. Kopczynski said it sounds like if the group has more time to keep looking for funding sources they could get it done on their own in a year or two. He said, the Parks & Recreation budget has had issues, so how will this funding be prioritized? Hodney said the bottom line is he would have to get creative and do some fundraising on his own.

Collins said his understanding is this request is being driven by a group of supporters. He said this will likely generate a request from West Albany High School. Collins said he feels like the project is getting ahead of itself.

Olsen asked what is done to the field to prepare it for the artificial turf. Hodney said they have to establish good drainage under the artificial surface. Olsen said it sounds like once the decision is made, you are committed to having that turf. Hodney said high schools all over the valley are switching to AstroTurf.

Hare said the Council is a little overdue for a joint meeting with the Albany School Board. This would be a good topic to discuss with them. He mentioned that there have been advances with artificial turf. Konopa said she was approached with this idea while she was at the grocery store. She said one of the comments she has heard is that it would be more attractive for South Albany High School since the two high schools no longer play football against each other. The field will make it more attractive for students to play for South.

Coburn said he is concerned about committing to eight years of funding for this project. He said there is no financial plan indicating where the money will come from so he wouldn't be comfortable voting for this.

Johnson said she was surprised to learn that AstroTurf doesn't cause as many injuries as she believed it would. The main concern she read about was the potential toxicity of AstroTurf. She said if the Council agrees to help with this project, it will open up the gate for other requests. She said the funding is not available for this.

Collins said he would be willing to consider in-kind opportunities after discussing this project with the School Board.

Council's consensus was to not move forward with the funding request. Konopa asked to have this item included with the next joint school board meeting.

Trey Mork, 2196 Geary Street, #1, said he was a South Albany student. He thinks AstroTurf is a good idea for South Albany High School because they get left out of things compared to West Albany. He said it will provide inspiration for the students to play on the field.

Conner Buford, 33153 Germanium Lane, said he looks at this from a versatility perspective. He said there are many different uses for AstroTurf.

#### REQUEST TO AMEND ADOPTED STRATEGIC PLAN

Collins said he is requesting an amendment to the Strategic Plan. He said there was confusion in the community about specifying an election date of May 2015. He said the proposed language will make it clear that the Council is going to wait for the Public Safety Facilities Review Committee's (PSFRC) recommendation.

MOTION: Collins made a motion to amend Section II, "A Safe City," Goal 1, Objective 13, of the adopted FY2014 through FY2018 Strategic Plan, as outlined below. Kellum seconded the motion.

**"Objective 13:** Review the recommendations of the Public Safety Facilities Review Committee relating to the need for and associated financing of replacement of Fire Station 11 and/or the Albany Police Department building."

Johnson asked for the Strategic Plan to be listed as a separate item and not included on the Consent Calendar. Coburn said he doesn't like the word "or." He said he would be fine with the language if it said "...replacement of Fire Station 11 and the Albany Police Department building." He also doesn't like that the objective is open-ended. He said one way to accomplish goals is to have a timeline. He agrees that May 2015 is a bit presumptuous and there is value waiting to hear what the PSFRC to say, but he would like to see a timeline related to the goal.

Smith said the PSFRC is hoping to have a recommendation by the end of June. Konopa said the Strategic Plan can be amended after the PSFRC makes their recommendation. Hare said the Strategic Plan is a way to communicate to citizens and ourselves of what our goals are. He said it is okay to have some uncertainty about the dates. The PSFRC has already indicated they are in support of a new fire station.

Albany City Council Work Session  
April 7, 2014

Olsen agrees with the amendment as presented. Collins said his intent was not to presuppose any conclusion of the PSFRC. He said Council asked the PSFRC to take on this task, and we need to let them do the work.

Kopczynski said the PSFRC minutes are a fascinating read. Olsen asked if they are available online. Collins said yes.

Kellum said the Council has taken a lot of care to stay out of this process. Council may not agree with the PSFRC when they are finished, but we need to stay out of the way.

VOTE: The motion passed 5-1, with Coburn voting no.

COUNCILOR COMMENTS

None.

CITY MANAGER REPORT

None.

ADJOURNMENT

There being no other business, the meeting was adjourned at 5:35 p.m.

Respectfully submitted,

Reviewed by,

Diana Eilers  
Administrative Assistant I

Stewart Taylor  
Finance Director

CITY OF ALBANY  
CITY COUNCIL WORK SESSION  
Municipal Court Room  
Monday, April 21, 2014  
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: Bill Coburn, Floyd Collins, Bessie Johnson, Rich Kellum, Ray Kopczynski, Dick Olsen

Councilors absent: None

BUSINESS FROM THE PUBLIC

Casey Costa, 2935 Shortridge Place SE, said that she and her 87-year-old mother are both Oregon Medical Marijuana Program (OMMP) cardholders and voters. Safe access to the medical marijuana that is beneficial to both of them is a top priority. She has been to Canna Kitchen at various times over the past year and not once has she observed unruly behavior, minors in the area, or danger of any kind. The people elected to a position of fiduciary responsibility should want to see safe access to medical cannabis continue and to have that revenue stay in Albany rather than send people to outlying areas to obtain the medicine they have been able to legally and safely obtain for the last two years at Canna Kitchen. She said that many people will be watching this decision and remembering it at the next election.

Konopa said that the City Council has previously taken public input on medical marijuana and is now at the point of deciding on zoning aspects of the ordinance.

Rhea Graham, Albany Canna Kitchen and Research, said that she just wants to continue to be there for her customers. She asked that her existing business be protected from any new regulations.

Scott Pierson, 1908 Cascade Heights NW, encouraged the Council to reconsider a moratorium rather than zoning restrictions. He said he is not speaking on the merits of medical marijuana. He asked that the Council consider whether they want to be contrarian or follow the lead of other communities in the area by going with a moratorium. He said that most of the business community is saying "not yet" to medical marijuana; a moratorium would allow time to better understand the ramifications and learn from the experiences of others.

Shawn Amen, Lebanon, said that the will of the people, the Governor, and the Oregon Health Authority (OHA) have all said that medical marijuana is a good thing and they are making it as safe for the community as possible. The process used to take public testimony and build the OMMP program was very extensive, and OMMP card holders pay several hundred dollars to have the right to obtain this medicine. If a patient says it alleviates their pain and the doctors and OHA agree, he said, then it's time to put the prohibition politics away and allow safe access for these folks.

Stacy Koos, 2589 21<sup>st</sup> Avenue, asked that the Council consider the entire business community and the negative impacts to legal businesses when making their decision. She said there are many unanswered questions associated with allowing dispensaries which distribute an illegal substance. Delaying the decision for one year would provide an opportunity to check in with other cities which choose to blindly forge ahead. She said there are many issues associated with dispensaries that the City is not prepared to deal with at this time, including additional policing and security needs. She asked that the decision on whether to allow medical marijuana dispensaries be delayed until we better understand the risks and prepare to mitigate them for all businesses.

Dan Schutte, 52236 Quartz SE, said he is a veteran and his doctor has prescribed marijuana as medicine. He said doctors have found medical marijuana to be helpful for a variety of issues and to ignore this is a lack of leadership.

Kendra Goodahl, 1287 Palace Drive NE, Salem, said she does not feel it is fair to have zoning regulations for dispensaries in excess of those that are in place for bars or pharmacies.

MEDICAL MARIJUANA DISPENSARY REGULATIONS ORDINANCES

City Attorney Jim Delapoer said that this process has evolved in a way that is not typical and that a majority of the City Council has not yet given specific direction on the ordinance language. He reviewed options before the Council. One draft ordinance would restrict the ability of dispensaries to be located within 300 feet of any property lawfully zoned to allow residential use. Because residential use is allowed under certain conditions in all zones with the exception of Heavy Industrial, this option would make it difficult to locate a dispensary anywhere in Albany. The second draft ordinance would place limitations based on zoning as shown on the corresponding map of Medical Marijuana District (MMD) Residential Use Buffer Areas with Industrial Zone Exception.

Delapoer said that he was asked about the potential of revising the ordinance to include nonmedical marijuana should the state allow that in the future. He does not recommend doing so because the ordinance is written specifically to address

medical marijuana dispensaries; however, if the Council chooses, they could direct the addition of language such as: "These restrictions shall also apply to any facilities selling nonmedical marijuana if such sales are subsequently allowed by the state of Oregon."

Konopa said that she would like to have zoning restrictions in place for nonmedical marijuana uses because she hopes they would be grandfathered in when recreational marijuana is legalized by the state. She wants to ensure that neighborhoods stay livable. She would like to be proactive in protecting Albany's neighborhoods.

Councilor Rich Kellum said that he believes the legislature put in restrictions to protect minors. From that perspective, he doesn't see how we could have a proposal where children in one neighborhood are protected and children in another neighborhood are not.

In discussion and in response to inquiries, staff further explained the draft ordinances. City Manager Wes Hare clarified that the second draft ordinance and corresponding map is Planning staff's attempt to get at what they believed to be Council's intent in restricting dispensaries from locating in or adjacent to neighborhoods.

Councilor Ray Kopczynski said that he doesn't believe there have been any problems with minors in medical marijuana dispensaries in Albany. He said the existing dispensaries are like vaults; minors will not be going into one of those establishments. He said that Canna Kitchen has been in place for two years and there has been no negative effect to the community, the business community, or law enforcement.

Councilor Bessie Johnson said that many cities around Albany are choosing a moratorium. If Albany allows dispensaries, people from those areas will come here; that is not what she wants. The business community thinks the moratorium is the way to go and she supports that. She said the proposed fee of \$150 would not begin to cover the additional law enforcement that would come with this.

Konopa said it is inevitable that the City will be dealing with medical and, potentially, recreational marijuana. She has stated from day one that she wants to make sure that we keep it out of neighborhoods. She feels it is a risk to go with a moratorium and maybe later be subjected to having the use in neighborhoods. She would prefer to address it in the zoning and hopefully have those limitations be grandfathered in if recreational use is legalized.

Councilor Floyd Collins said that he would vote no on either of the draft ordinances. He addressed some of the public testimony that has been received. He said that bars and pharmacies aren't regulated by cities; they are regulated by the state and/or federal governments. The people in Linn County did not vote for medical marijuana; the legislature established uses in opposition to a vote of the people. He doesn't believe that the legislature would grandfather in zoning limitations. In discussion, Delapoe said that he thinks it is unlikely that the City would get a grandfathered benefit by enacting a law to deal with a use that is not currently legal, and that adding language about nonmedical marijuana could make the ordinance more open to challenge.

Johnson reviewed her work with people affected by alcohol and drug use. She said she knows that marijuana damages brains and changes personalities. This is not something she wants in Albany.

Collins initiated additional discussion about the proposed fee. In discussion, Delapoe clarified that police can only respond to allegations of violation of law at dispensaries in the same way they would at any other business. If a fee is set so high that it is a bar to operations, a court may say it is not a reasonable regulation. He suggested that the \$150 fee could be established to offset an anticipated increase in law enforcement, with a review and adjustment in one year based on actual experience.

Councilor Dick Olsen expressed concern that setting a fee for this use could be a step toward having a fee for all businesses in the City.

Coburn, Kopczynski, Olsen and Konopa supported having staff bring back the most recent draft ordinance and corresponding map. Collins, Kellum, and Johnson did not support any MMD ordinance being brought back.

A majority of the Council directed staff to bring back the newest version of the ordinance which is reflective of the map.

#### COMMUNITY DEVELOPMENT BLOCK GRANT PLANS REVIEW

Lead Long Range Planner Anne Catlin said that a public hearing on the City's Community Development Block Grant (CDBG) Plans is scheduled for Wednesday, April 23. The Council is asked to hear public testimony on that date and then keep the record open for public comment until the plans are officially adopted on May 14. The Community Development Commission is recommending that the City Council approve four documents as presented and discussed in the written staff report: 2013-14 Action Plan Amendments, 2014-15 Action Plan, Analysis of Impediments to Fair Housing Choice and Fair Housing Plan, and Albany's CDBG Citizen Participation Plan.

Catlin said that most of the amendments to the 2013-14 Plan relate to distribution of funds to specific program activities, as well as redistribution of funding allocated to housing rehabilitation programs. She said that Albany Helping Hands applied for funding to rehabilitate a building to be used for transitional housing. There have been challenges in getting the data to determine potential issues with the environmental review, including noise associated with railroad crossings. Staff will continue to work on that issue.

Catlin reviewed the process undertaken in the Analysis of Impediments to Fair Housing Choice and Fair Housing Plan. She said the plan identifies a list of items that staff will be working on over the next five years in the areas of education and outreach; they have begun to build connections and gain an understanding of some of the issues.

Catlin said that the composition of the Community Development Commission is established by ordinance and calls for one representative with experience in economic development. Because it has been difficult to find representatives with that experience, and because City Councilors become very familiar with economic development, it has been suggested that that section of the ordinance be revised to state one representative with experience in economic development or a City Councilor. Delapoe suggested that a motion could include that a certain Councilor was being appointed with the recognition that their years on the City Council have given them experience in economic development; he didn't believe that a revision to the ordinance was necessary.

Collins said that, when making allocations for projects, it is important to be clear that participation this year does not guarantee participation next year and priorities for allocation may change as conditions in the community change. Catlin said it is clear in both the application and the contract that there is no guarantee of future funding.

MOTION: Kopczynski moved to appoint Dick Olsen to the Community Development Commission, noting that his years on the City Council have given him substantial experience in economic development. Coburn seconded the motion, and it passed 6-0.

#### COUNCILOR COMMENTS

In response to an inquiry from Johnson, Hare said the City has not yet been notified of a decision by Lowe's and any discussion or action by the Council would be speculative. He recommended that discussion be held when more is known.

Johnson said that she had previously requested information from the Parks and Recreation Director regarding transient lodging tax funding. She would like a list of all funding requests, those that were approved, and those that were denied. Hare will follow up.

Kellum said that he has a concern about how information was distributed regarding the recycling center issue. The concern is that City notices go only to property owners and not to tenants. He will be discussing this further with staff.

Konopa said that the Oregon Heritage Conference will be held in Albany this week which will bring a lot of activity to the area.

#### CITY MANAGER REPORT

There was no further report.

#### ADJOURNMENT

There being no other business, the meeting was adjourned at 6:00 p.m.

Respectfully submitted,

Reviewed by,

Teresa Nix  
Administrative Assistant

Wes Hare  
City Manager

CITY OF ALBANY  
CITY COUNCIL  
Council Chambers  
Wednesday, April 23, 2014  
7:15 p.m.

**MINUTES**

CALL TO ORDER

Mayor Sharon Konopa called the meeting to order at 7:15 p.m.

PLEDGE OF ALLEGIANCE TO THE FLAG

Konopa led the pledge of allegiance to the flag.

ROLL CALL

Councilors present: Councilors Rich Kellum, Bill Coburn, Bessie Johnson, Ray Kopczynski, Dick Olsen, and Floyd Collins.

Councilors absent: None.

SCHEDULED BUSINESS

Public Hearing

Community Development Block Grant plans.

Konopa explained how the City of Albany became an entitlement community and the formation and goals of the Community Development Block Grant (CDBG) Task Force. Tonight is for public testimony; the City Council will not take action until May 2014.

Open: Konopa opened the public hearing at 7:17 p.m.

Planner II Anne Catlin said staff spent time navigating through Housing and Urban Development (HUD) regulations. One of the HUD requirements is for the City to develop a plan to spend money to further improve community development, economic development, remove blighting influences, and primarily help low-income people in Albany.

Catlin said they have been working over the last few years to get lots of programs up and running. The amendments to the Annual Action Plan for Fiscal Year (FY) 2013-2014 will specify details of programs just getting underway. The Annual Action Plan for FY 2014-2015 includes a variety of projects such as housing rehabilitation, some public facilities (Sunrise Park and Periwinkle Path), and economic development projects such as helping microenterprise and small grant programs. Catlin said the second category is public services, which allocates funds for service agencies such as Family Tree Relief, Community Services Consortium, Jackson Street Youth Shelter, CHANCE, and FISH of Albany. The third category is to move folks from homelessness to housing by hopefully funding two projects: a youth shelter and an expansion of Helping Hands by adding transitional housing.

Catlin said the other two plans that are open to public comment are the Analysis of Impediments to Fair Housing Choice and Fair Housing Plan; and the City of Albany's CDBG Citizen Participation Plan.

Konopa called the person signed up on the list (see agenda file). Jo Zimmer, 1425 28<sup>th</sup> Avenue SE, said she is in support of the CDBG program.

No one else wished to speak.

Catlin said the public comment period will remain open until May 14, 2014. Catlin will let the City Council know if she receives any substantial comments. Staff is still working on environmental reviews that could affect funding to a few projects.

Close: The public hearing was closed at 7:20 p.m.

Second Reading of Ordinances

Imposing local restrictions on medical marijuana facilities and declaring an emergency (prohibited within 300 feet of residential use).

There was an ordinance on the dais with the same title and revised language in Section 1(1) (see agenda file).

City Attorney Jim Delapoe read the ordinance in title only: "AN ORDINANCE OF THE CITY OF ALBANY, OREGON IMPOSING LOCAL RESTRICTIONS ON MEDICAL MARIJUANA FACILITIES AND DECLARING AN EMERGENCY."

Delapoe read the limitation language in Section 1(1): "In addition such limitations and regulations as may be imposed by state law on medical marijuana facilities which dispense marijuana pursuant to ORS 475.314, no such facility nor any person operating as an employee or agent of such facility shall operate, locate or dispense marijuana within 300 feet of any property zoned residential as described in Article 3 of the Albany Development Code (ADC) or zoned mixed-use as described in Article 5 of the ADC, and the Office Professional (OP) and Neighborhood Commercial (NC) zones as described in the ADC. This restriction does not apply to property that is zoned Industrial Park (IP), Light Industrial (LI) or Heavy Industrial (HI)."

MOTION: Councilor Ray Kopezynski moved to adopt the ordinance on the dais which includes the revised language in SECTION 1 (1), and Councilor Dick Olsen seconded the motion.

Councilor Rich Kellum said he did research and learned that in the year 2000, Colorado legalized people growing their own marijuana and in 2009, they made dispensaries legal. In 2013, there was a study by Doctor George Sam Wang, a medical toxicologist at the Rocky Mountain Poison Center in Denver. Kellum said Wang's team compared the number of children treated in the emergency room for marijuana poisoning before and after the dispensary law was enacted. Between 2000 and 2009, there were 790 kids under the age of 12 taken to the emergency room for marijuana poisoning where they spent from three hours to several weeks depending on the level of detoxification required. Kellum said, that is 7.31 children per month. From 2009 to 2013, there were 588 instances where children under 12 years old were poisoned; that is 14.71 kids per month. The only difference was that there were dispensaries. It seems to have doubled; they are talking about 1,400 children. Kellum said, we should go slowly; if it has caused a problem somewhere else, we need to make sure to make the right choice. In 2004, Oregon voted on whether to have dispensaries and it failed it 57-43; and in 2010 it failed again 58-42. In Linn County the margin was even wider.

Kellum said when they recognized it could cause problems they said to keep it 1,000 feet from schools. The buffer is to protect the kids. He thinks if 1,000 feet is necessary for a school, it is necessary wherever a group of kids might gather. He is against dispensaries in Albany. He doesn't think they can reasonably say that they can protect kids. He said, we can err on the side of the kids or err on the side of the purveyors of marijuana.

Councilor Bessie Johnson said she read that at last count, there were 100 cities and 13 counties in Oregon that voted to wait on dispensaries and go slow. California has dispensaries; some may be good and abide by the law, but late at night the party busses frequented the dispensaries. She is not sure what the hurry is. She is not in favor of having dispensaries in Albany and doesn't agree with those who say legalized marijuana is inevitable. Cities around Albany have voted for a moratorium, so those customers will likely come to Albany. She will be voting no.

Councilor Floyd Collins has commented before on where he stands on dispensaries. He said he dislikes that the ordinance on the dais does not apply to property that is zoned in LI or HI. If dispensaries are allowed, he doesn't think they should be in industrial zones with the manufacturing facilities.

VOTE: A vote was taken on the motion and it passed 4-3, with Collins, Johnson, Kellum voting no, and was designated Ordinance No. 5833.

Konopa said this has been a divisive issue. Her hope is that if the dispensaries come in to Albany that they are placed in the appropriate areas.

Imposing local restrictions on medical marijuana facilities and declaring an emergency. (prohibited within 300 feet of residential use NO INDUSTRIAL EXCEPTION).

There was no action taken on this item.

#### Business from the Public

Jeff Christman, Albany, said he will not be commenting on the pros or cons of dispensaries or the decision that the City Council just made. He is here to comment on a question that came up at the April 21, 2014, Work Session, which was what effect the dispensaries would have on the business community. Christman said, dispensaries are new to the City of Albany so we don't know what the short-term or long-term effects will be. He can, however, share what the impact will be to one industry, the financial institutions. He said his information comes from a seven page document that Christman received from the Department of Treasury Financial Crimes Enforcement Network, which is just one of the agencies that financial institutions have to deal with. Christman said it provides guidance to clarify bank transactions to financial institutions seeking to provide services to marijuana related businesses.

Christman spoke to two of the points in the document. First, there will be several new Suspicious Activities Reports (SARs) categories created. Financial institutions are required to file SARs on activities that they suspect or have reason to suspect involve funds delivered from an illegal activity. Christman explained that since it is

against federal law to distribute marijuana, and since most financial institutions are federally insured, if they were to open an account for a dispensary, the activity on that account would be reported as suspicious. He pointed out that the financial institution must report it, or they would be in violation of federal law. The second area is when the account is opened; every financial institution has to have a customer identification program, which are regulations stating the due diligence that must be completed prior to opening new accounts. Several new items are listed in the due diligence requirements because of marijuana dispensaries. The first one states that financial institutions that work with dispensaries need to determine that the dispensary is preventing the distribution of marijuana to minors. This means they need to determine if it is reasonable to believe that a minor would have access to marijuana from the dispensary. Christman has no idea how financial institutions are going to do that. He said he is not asking the Council to do something about these federal regulations; rather he is answering a question that was posed at the Work Session. Had there been a moratorium placed on dispensaries, financial institutions in this community would have had time to work through some of these issues.

Bill Root, 2634 NW Valley View, said he was approached by North Albany Neighborhood Association (NANA) with a question. The NANA member wanted to know what could be done to encourage a grocery store to move into the old Ray's in North Albany. They suggested the City could offer a tax break or some other incentive. Konopa said Urban Renewal Director Kate Porsche contacted the listing agent to see how she could help, and put together a packet of support letters from the city, counties, Chamber, and AMEDC to give to the listing agent to help market the site. Porsche also sent the portfolio on the property to a number of retailers that might be a good fit in that space. But it is in the hands of the property owners and there is only so much the City can do. Collins said the City also joined with Albany Millersburg Economic Development Corporation (AMEDC) and Albany Chamber of Commerce (ACC) to make a united front for the marketing firms. People looking at the site know that it is not just the City, but also AMEDC and ACC that would do what they can to get business to locate at that site. Root said that NANA will also help if they can.

Tom Cordier, 2240 Park Terrace NW, said he is disappointed in the Council's decision about the marijuana dispensaries. He said that what Kellum shared tonight was not given to the Council before. He said that what happened tonight is what he thinks fits the definition of how this Council works; he said that no matter what information is brought forward, the Council has already made up their mind. He looked at League of Oregon Cities website and learned that more than 100 communities have opted for the timeout. Tonight they heard from Christman that there will be regulations imposed on financial institutions. He thinks the Council is out of step with the majority of voters in Albany and Linn County. In the state of Washington, they have seen the result of moving too quickly with the drivers who are under the influence of marijuana, because it wasn't done in an orderly fashion. The moratorium provided a mechanism for it to be done in an orderly fashion. Cordier said the people in the audience tonight do not represent the majority of the community. The voters will speak again at the election in November because of the decision tonight. Konopa said this subject was discussed at the Monday Work Session for an hour and 20 minutes, as well as several other meetings, and Kellum did not bring the new information until tonight. Cordier said there was new information tonight, and the Council didn't listen to it.

#### Adoption of Consent Calendar

- 1) Approval of Minutes
  - a) February 26, 2014, City Council Regular Session.
- 2) Removing a loading zone on Ninth Avenue west of Elm Street. RES. NO. 6318
- 3) Accepting an easement from Robin L. Brillon and Vonda L. Brillon. RES. NO. 6319

MOTION: Collins moved to adopt the Consent Calendar as presented. Kopczynski seconded the motion and it passed 6-0.

#### BUSINESS FROM THE COUNCIL

Johnson asked why Business From the Public was moved on the agenda from before the marijuana dispensary ordinances to after the ordinances. Konopa said they have already taken public input on the subject so the correction was made on the website but not in the Councilor's packets. Johnson said Christman brought up new information under Business From the Public. She thinks moving the agenda around gives the wrong impression. Kopczynski spoke to Christman's comments, explaining that the marijuana dispensaries are already working with a local regulated financial institution.

Kellum said he noticed that there were ACC folks in the audience; he thanked them for being at the meeting.

Kopczynski said he left a brochure on the dais for each Councilor from the Albany Visitors Association (AVA) (see agenda file). He is the AVA liaison for the City Council. The meeting last week was held at the Samaritan Center in Lebanon. Nia Ridley is the manager of the new Samaritan Center and is also on the AVA Board. She gave them a short tour and a PowerPoint presentation about the facility. It is designed for events, business meetings, etc. They have already had over 20 meetings this year and there are 50 lined up for rest of year. They will be developing a community out there over the next five years. They have just broken ground on the hotel complex and they are getting ready to break ground for another hospital. It will be a small planned whole-community with retail, financial institutions, etc. Kopczynski said it is very impressive. Kopczynski also met Lebanon City Manager Gary Marks. He encouraged the Councilors to tour the facility.

Kellum asked why a citizen from Lebanon would be part of the AVA. Koczynski said there are also AVA members from Brownsville and Sweet Home; it is a regional organization to drive tourism into this whole area. Konopa explained that the AVA used to just include Albany members but when Linn County wanted some of Albany's Transient Lodging Tax (TLT) the AVA started marketing the whole county. Since Albany's TLT supports marketing all of Linn County, the AVA includes board members from other cities. Kellum asked if anyone else, other than Albany, is helping to foot the bill. Konopa said Brownsville does help a little. She said that is why it would be ideal if Linn County would implement their own TLT. Kellum said it bothers him that Albany is footing the bill and they are reaping the benefit. Johnson agrees.

Olsen asked if this facility will compete with facilities in Albany. Discussion followed.

Konopa pointed out that if those other cities have an event they don't have enough hotel rooms, Albany would be the recipient of those hotel guests.

Collins said at the Metropolitan Planning Organization (MPO) meeting, Linda Modrell who represents Benton County handed out a flyer for Oregon State Rail Plan (see agenda file). It is out for public comment from April 18, 2014, to June 20, 2014. Documents are available on the ODOT website.

Delapoer said he is defending City Manager Wes Hare on the elections violation. He said Hasso Herring asked him for copies of the briefs being filed, and Delapoer agreed to provide him copies when they were done. It was filed yesterday so Delapoer gave copies to Herring and also to Steve Lundeberg from the *Albany Democrat-Herald*. Copies were also provided to the City Councilors. Delapoer is hoping the Council will be able to see the arguments on both sides of the issue and understand the free speech issues and the intricacies of the law. He explained the process. Delapoer suspects that a hearing will go forward on May 6, 2014, and an administrative law Judge will make a decision that would then be subject to an appeal in the Court of Appeals.

Delapoer pointed out that he is representing Hare at no cost to the City.

Public Works Director Mark Shepard explained that State Transportation Planning (STP) fund agreements with ODOT use money from the federal government for capital projects. Staff brings the agreements to the City Council for approval. As capital projects are completed, the left over funding can be applied to future projects. There was about \$223,000 left over from previous projects which can be applied to the Main Street project and the North Albany Road project. The funding is being added to the ODOT agreement by an amendment which will be processed at the staff level.

NEXT MEETING DATE:    Work Session May 12, 2014  
                                  Regular Session May 14, 2014

ADJOURNMENT

There being no other business, the meeting was adjourned at 7:58 p.m.

Respectfully submitted,

Reviewed by,

Mary A. Dibble, MMC  
City Clerk

Stewart Taylor  
Finance Director



TO: Albany City Council

VIA: Wes Hare, City Manager

FROM: Mario Lattanzio, Chief of Police

A handwritten signature in black ink, appearing to be 'ML'.

DATE: June 4, 2014, for June 11, 2014, City Council Meeting

SUBJECT: New Outlet, Limited On-Premises Sales, Liquor License Application for Sammy Enterprises II, Inc., dba Four Seasons Growler located at 2195 14<sup>th</sup> Avenue SE.

Action Requested:

I recommend the New Outlet, Limited On-Premises Sales, Liquor License Application for Sammy Enterprises II, Inc., dba Four Seasons Growler located at 2195 14<sup>th</sup> Avenue SE, be approved.

Discussion:

Sean and Ai Chung on behalf of Sammy Enterprises II, Inc., dba Four Seasons Growler, have applied for a New Outlet, Limited On-Premises Sales, liquor license. Based on a background and criminal history investigation through Albany Police Department records, the applicants have no criminal record.

Budget Impact:

None.

MSR



TO: Albany City Council  
VIA: Wes Hare, City Manager  
Mark W. Shepard, P.E., Public Works Director & Community Development Director MWS  
FROM: Jon Goldman, Transportation Superintendent [Signature]  
DATE: June 3, 2014, for the June 11, 2014, City Council Meeting  
SUBJECT: AR-14-01, Airport Security Fence Improvements  
Contract Increase in Excess of 10 Percent

RELATES TO STRATEGIC PLAN THEME: 

- A Safe City
- An Effective Government

Action Requested:

Staff requests approval of a construction contract increase to F & W Fence Company in excess of 10 percent for the Airport Security Fence Improvements.

Discussion:

*Project Description*

On September 11, 2013, Council approved a contract with F & W Fence Company in the amount of \$210,869.60 to construct the Airport Perimeter Fence Improvements. The Federal Aviation Administration (FAA) is funding 90% of this project.

*Changed Conditions*

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. Per AMC 2.66.040, Council approval is required for any change orders in excess of 10 percent above the originally approved contract amount.

The changes to which this memo refers are:

- A. When the contractor applied for the building permit, the Albany Fire Department required an OPTICOM system, with battery backup, for the automated gate – \$19,010.07.
- B. Asphalt and base repair required for proper installation and operation of the detector loops for the automated gate – \$6,895.00.
- C. Filling in low spots at the base of fence line. The contractor was instructed to install fence with the top rail as level as possible. This caused low spots in a few locations - \$2,572.50.

These changes total \$28,477.57. The City's portion for these changes is 10% (\$2,848), with the FAA covering the remainder. The FAA previously authorized these changes.

*Summary of Total Estimated Project Costs*

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

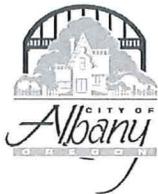
<b>Project Components</b>	<b>Estimated Cost at Time of Award</b>	<b>Estimated Final Cost</b>
<b>I. Design Costs Airport Fence Improvements</b>		
a. Consultant Design & Construction Engineering	\$ 54,300	\$ 43,300
<b>II. Construction Costs Airport Fence Improvements</b>		
a. Construction Contract	\$ 210,900	\$ 182,700
b. Proposed Change Order (14.6%)	N/A	\$ 28,500
<i>Construction Subtotal</i>	\$ 210,900	\$ 211,200
<i>Total Estimated Project Cost</i>	\$ 265,200	\$ 254,500
<i>Project Budget</i>	\$ 312,200	\$ 312,200
<i>Under/(Over) Project Budget</i>	\$ 47,000	\$ 57,700

Budget Impact:

This project will be funded from the FAA Annual Capital Grant Budget (203-50-5003-71017).

JCG:prj

Attachments (1)



City of Albany
Public Works Department

CHANGE ORDER #2

- 1. Project: AR-14-01, PERIMETER FENCE IMPROVEMENTS - AIRPORT
2. Contractor: F & W Fence Company, Inc.
Address: 2220 16th Street NE
Salem, OR 97301-0525

3. DESCRIPTION OF CHANGE:

- A. Automated Gate Additions. This change provides for provision and installation of: Opticom system, and battery backup system. Payment for this item will be made on a lump sum basis and shall include all equipment, labor, materials, and incidentals required to complete the work. Total cost for this change is \$19,010.07.
B. Asphalt Improvements. This change includes base repair and asphalt replacement in order for proper installation and operation of detector loops. Payment for this item will be made on a lump sum basis and shall include all equipment, labor, materials, and incidentals required to complete the work. Total cost for this change is \$6,895.00.
C. Surface Grading. This change provides for provision and installation of topsoil to fill in gaps at base of fence line. Payment for this item will be made on a lump sum basis and shall include all equipment, labor, materials and incidentals required to complete the work. Total cost for this change is \$2,572.50.

- 4. Proposal by Contractor: We hereby agree to incorporate the above-described change or changes in the drawings and/or specifications for this project, and to furnish all materials and labor and perform all work in connection therewith, and in so doing, to comply with the Standard Construction Specifications and/or Special Specifications insofar as they apply to workmanship, details, and materials.

In consideration of the above, it is understood and agreed that the amount of the Contract shall be increased in the amount of \$25,905.07.

Date: CONTRACTOR: F & W Fence Company

Table with 2 columns: Description and Amount. Rows include Original Construction Contract Amount (\$210,869.60), Total Change Order to Date (\$2,317.12), Total this Change Order (\$28,477.57), Total Anticipated Reduction in Bid Items (to date) (\$0.00), TOTAL AMENDED CONTRACT AMOUNT (\$241,664.29), and Total % Change Orders (14.6%).

NOTE: For Council-awarded contracts, change orders over 10% must be approved by Council.

- 6. Authorization by City of Albany: We hereby accept the proposal as set forth in Item 4 above and hereby authorize the contractor to proceed accordingly.

Date: CITY OF ALBANY, OREGON

Project Manager

By: Mark Shepard, Public Works Dir. and Community Development Dir.

Original to: ♦ City Clerk Fully signed copies to: ♦ Contractor ♦ Project File ♦ Attached to Purchase Order