

CITY OF ALBANY
CITY COUNCIL
Council Chambers
Wednesday, July 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.

SPECIAL PRESENTATION

GFOA Awards of Excellence.

Konopa introduced Jeff White, Chief Financial Officer for Marion County and Oregon Municipal Finance Officers' Association (OMFOA) liaison with the national Government Finance Officers' Association (GFOA).

White said OMFOA is a chapter of GFOA. OMFOA has 500 members from counties, cities, school districts, special districts, and other government entities, along with partners from associated businesses such as banks, software companies, attorneys, and bond underwriters. It was instituted to promote professionalism and excellence in public financial management. OMFOA provides training for members and a certification program. White said that Senior Accountant Anne Baker is the current President of OMFOA.

White said GFOA was founded in 1906 and represents public finance officials throughout the United States. It has 18,000 members from federal, local, and state government. GFOA provides best practices guidance, consulting, networking opportunities, publications, recognition programs, research, and training.

White is here to present three awards to the City of Albany. He described the awards:

- The Distinguished Budget Presentation Award program was established in 1984 to encourage and assist state and local governments to prepare budget documents at the highest quality to reflect guidelines established by the National Advisory Counsel on state and local budgeting and GFOA's best practices. Albany's budget document was reviewed by selected reviewers who are either members of the GFOA or outside reviewers with experience in public sector budgeting. Receiving this award is not an easy task. Three separate reviewers must agree that your document has met specific criteria that the budget is transparent, effective, useful, organized, and informative. There are 90 criteria that are evaluated, of which 50 are mandatory. In Oregon only 43 government entities got this award last year. This is 23rd consecutive year Albany has received it. White said, that is the eighth longest running streak in Oregon and demonstrates Albany is a leader. It takes the combined support and efforts of the Mayor, City Council, Budget Committee, City Manager, Finance staff, and other staff to win this award. Citizens of the City of Albany should be proud.
- The Popular Annual Financial Reporting (PAFR) is being awarded to Albany for the second year in a row. GFOA established the PAFR award program in 1991 to encourage state and local governments to extract information from the Certification for Achievement of Excellence in Financial Reporting (CAFR) for the PAFR. The PAFRs are specifically designed to be readily accessible and understandable to the general public and others who do not have a background in public finance. This is also not an easy award to receive. White described the evaluation process used by four judges. In Oregon only four cities received this award. Albany continues to lead the way.

White invited Senior Accountant Anne Baker forward to receive the GFOA 2012-2013 Award for Outstanding Achievement in PAFR (2 consecutive years) and the 2013-2014 Distinguished Budget Presentation Award (23 consecutive years) on behalf of the City of Albany.

- The third award is the GFOA Certificate for Excellence in Reporting program for the CAFR, which was established in 1945 to encourage state and local governments to go beyond the minimum requirements of Generally Accepted Accounting Principles (GAAP) to prepare a CAFR that evidences the spirit of transparency and full disclosure. In his opinion this is the most difficult award to achieve. The requirements checklist used is 79 pages long and 500 items must be addressed, of which 124 are specific and if any one of them are not correct that one failure can disqualify the entire report from the award process. In Oregon there

are only 112 recipients of this award and of those, only 39 are cities. That puts the City of Albany in a group of only 16% of cities in Oregon. This is 30th consecutive year that Albany has received this award. Albany is a leader in financial excellence.

White said that Senior Accountant Mike Murzynsky will be receiving this award on behalf of the City of Albany for the last time. White recognized the years of dedicated service Murzynsky has given to the City of Albany and its citizens. White invited Murzynsky forward to receive the GFOA 2012-2013 Certificate for Excellence in Reporting for the CAFR on behalf of the City of Albany (30 consecutive years).

White said the recognition for the awards should include all of the Finance staff, other City staff, the City Manager, Mayor, Council, and Budget Committee. Albany has an environment of excellence.

Konopa noted that this will be the last City Council meeting Murzynsky will attend, as he took a job as Finance Director in Newport. He will be missed. He also volunteers a great deal in the community at events such as River Rhythms and Northwest Art & Air. She said, we were fortunate to have had him.

City Manager Wes Hare thanked Murzynsky for his service to the City of Albany. It has been a pleasure and honor to work with someone with his competence and integrity over the last nine years. Hare said he will make a great Finance Director for Newport. He will be missed.

SCHEDULED BUSINESS

Business from the Public

David Koopman, 501 Pacific Blvd SW, represents Best Buyers. Koopman has a couple issues with the proposed ordinance. Page 8 has rules about consignment. With a true consignment there is next to no risk for being a gateway for stolen property, especially if the consigner is not getting paid for 30 days. They get a check mailed to their home, so it will be tracked including an address and bank information. He thinks if it is a true consignment, and they are not getting paid until the items sell, it is like being an agent for that person no different than an auction or estate sale representative. If consignments are part of a second hand dealer, then auctions and estate sales should also have to follow the second hand ordinance.

Koopman doesn't have a problem reporting the item and putting it on the shelf to sell, but they still have to hold it for 14 days which is inconvenient for a potential buyer and the seller. Thieves want their money now, and won't wait 30 days; and they want cash, not a check. The purpose of the ordinance is for high risk items. Consignment is low risk.

On page 8 of the ordinance, under 7.90.080, Koopman suggested item c. should say \$20.01 instead of \$20.00. He said, if the police will give us a list so we aren't putting out money and becoming a victim, he thinks it would be good to include that in the ordinance.

On page 4 of the ordinance, item 16, Koopman noted that the Police Chief can make a decision at will. He said a change to the ordinance should first come to the City Council. Konopa said that any language changed in the ordinance would come before the Council.

Koopman asked the Council to consider that consignment stores are ultimately acting as agents, no different than an auction.

Nick Russell, 1225 Pacific Boulevard SE, said that consignments are almost never an issue with theft. If someone is willing to wait for the money, then they didn't steal it. If consignments were exempt since no money changes hands at the time, it would make it simpler for owners and the police. They would still report the item that they took in, but since no money is exchanged until later he suggested that consignments be exempt from the 14 day hold.

Russell said that regarding gift cards, why not buy the gift card, give the information to the police, and if the Police see a pattern they can pursue it. If the gift cards are being sold online or Craigslist instead, the Police won't know about it. He said it is not a big issue; he occasionally buys them. Rather than make him a criminal for buying it, why not keep the purchase out in the open so the Police know about it. Otherwise, someone will be willing to buy them somewhere. This has happened in Salem, where they became strict with jewelry, and now there are sales out of garages with no record of the sale. Russell said in Albany they are getting a jump start on it before there is even a problem. He thinks most of what is in the ordinance is pretty good.

Russell said he would add tires and rims to the list. There is a huge industry.

Councilor Rich Kellum asked, if someone wanted to consign something, and it sold that same day, would there be a problem if the consigner had to wait a period of time to get the money? Russell said if they had to wait the minimum 14 days, that would work. Russell said it would not be an imposition on the owners.

Koopman said that on page 9, under item 5., regarding identifying marks that are illegible due to obvious normal use, a 90 day hold is extreme. He also hopes this ordinance would apply to all second hand dealers, including scrap dealers selling regulated property.

Kevin Manske, 1100 Pacific Boulevard SE, said it should be passed as is. If it needs to be tweaked later it can be. He thinks Albany needs this ordinance.

First Reading of Ordinance

Amending the Albany Municipal Code Title 7 by amending Chapter 7.90 previously entitled buying and selling used jewelry, gem stones, and silverware and retitling it to secondhand dealers and transient merchants and declaring an emergency.

Police Sergeant Steve Dorn said the concern that was previously addressed by the Council has been added to the last page; that there could not be changes to the ordinance without the approval of the City Council. Dorn said they did meet with businesses; three showed up at the last meeting. One business was not able to make it so they met with them separately. That owner suggested quite a few changes; the one change Dorn did not agree with was regarding gift cards because their value can perpetuate crime.

Konopa asked Dorn if tires and rims should be added to the list of regulated property. Dorn said there has not been a recent crime trend for those items, though it could be added at a later time. Discussion followed.

City Manager Wes Hare asked Dorn to explain Albany Police Department's (APDs) perspective on consignments and delaying payment for 14 days. Dorn thinks that would not be a problem. The main purpose of the ordinance is reporting the information. He doesn't have a problem making the change to consignments as suggested. Discussion followed about ways to change the ordinance that would address the concerns.

Delapoer noted that the ordinance could be revisited in 60-90 days after there was some working experience to consider adjustments. Discussion followed.

Councilor Ray Kopczynski asked Dorn if APD can give the owners a list of stolen property. Dorn said yes.

MOTION: Kellum moved to accept two amendments to the proposed ordinance: to Section 7.90.020 (2), create a new subsection "c": "Acquisition of property for consignment sale wherein payment is not made to the owner within 14 days of consignment."; and to Section 7.90.090, 1. c., delete the second sentence "Consigned items may be displayed for sale; however the hold period of 14 days still applies." Kopczynski seconded the motion and it passed 6-0.

City Attorney Jim Delapoer read the ordinance for the first time in title only: AN ORDINANCE AMENDING THE ALBANY MUNICIPAL CODE TITLE 7 BY AMENDING CHAPTER 7.90 PREVIOUSLY ENTITLED BUYING AND SELLING USED JEWELRY, GEM STONES, AND SILVERWARE AND RETITLING IT TO SECONDHAND DEALERS AND TRANSIENT MERCHANTS AND DELCARING AN EMERGENCY."

MOTION: Kopczynski moved to have the City Attorney read the ordinance for the second time in title only. Councilor Bill Coburn seconded the motion and it passed 6-0.

The City Attorney read the ordinance for a second time in title only.

MOTION: Councilor Floyd Collins moved to adopt the ordinance and Kellum seconded it. The motion passed 6-0 and was designated Ordinance No. 5837.

Hare commended the businesses community and APD for working together. He noted that the ordinance can also be changed if there are problems in its administration.

Adoption of Consent Calendar

- 1) Approval of Minutes
 - a) May 28, 2014, City Council Regular Session.
 - b) June 9, 2014, City Council Work Session.
- 2) Appointing City Manager Pro Tems and repealing Resolution No. 5661. RES. NO. 6352
- 3) Extending City of Albany's workers' compensation coverage provided by City/County Insurance Services (CIS) to volunteers for policy year 2014-2015. RES. NO. 6353

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

Appointment

Reappointing Rosemary Bennett to the Library Board.

MOTION: Councilor Bessie Johnson moved to reappoint Rosemary Bennett to the Library Board. Coburn seconded the motion and it passed 6-0.

Reports

New Police Building property.

Police Chief Mario Lattanzio said that when he met with the Public Safety Facility Review Committee (PSFRC), he was asked, all things being equal, where would APD want to be located. Lattanzio had replied, at their current location on Jackson Street, which had not been explored recently in terms of cost. So the PSFRC asked Lattanzio to move forward with exploring that option. They came up with different scenarios for that location, as outlined in the staff report as Option 1, 2, or 3.

Lattanzio said one of the property owners increased their price by \$250,000; so now Lattanzio recommends that they move to the Pacific Boulevard site instead. Option 1 and 2 is an increase of \$2.1 million, and doesn't allow them to move to Option 3 because one of those property owners is asking for 40% more than the assessed value and the other two property owners do not want to sell.

Lattanzio said they just completed the Request for Qualifications (RFQ) process. He has told three of the companies that were selected that they have until next Monday to protest. Once that step is complete Lattanzio needs to tell them which site was selected.

Collins said he looked at the minutes where there was discussion with PSFRC Cochairs Morse and Burrigh and Lattanzio about what factors would make one location a better choice than the other. They said they would leave that decision to the City Council. Now the Chief has provided new information that shows that if they stay at the current site they would be paying more than expected and would not have any security beyond 20 years; and no financing to buy property beyond that. Collins said, we did our due diligence by doing the homework and in trying to get the properties. But they have certainty with the Pacific Boulevard site; they know the acreage, and the projections will last beyond 20 years. There is future capacity. He said, we would not be getting ourselves in same box we got in 22 years ago. Collins agrees with the conclusion that Lattanzio reached and he supports his recommendation.

Kopczynski asked if making this choice means there would be a change to the Request for Proposal (RFP) process. Lattanzio said, no; by the time we get to the RFP we will tell them which site to use.

Kellum asked if the email that Lattanzio got about the property owner wanting \$250,000 more, sounded like it was final and there were no possibilities to negotiate. Lattanzio said it is an investment property; if they were to sell they would want to reinvest somewhere else but can't find anything else to invest in, and they are worried about some of the tax implications. Lattanzio said the City increased the offer from the original price to include some of the tax implications based on an appraisal by a realtor, but the owner asked for more than that amount to include lost money for future years. Kellum thinks they should leave open the opportunity to go back to that owner one more time. Discussion followed.

Konopa said she heard from others who did not want to sell.

Delapoer asked when the decision needs to be made. Lattanzio said they could make an adjustment to the time if they needed to. Discussion followed about possible motions to facilitate Kellum's suggestion.

Johnson said the property owners have had a chance to sell. She wants to make a clean break and focus on the Pacific Boulevard site.

MOTION: Johnson moved to direct staff to plan for the new Police Station to be on the Pacific Boulevard site and Coburn seconded it. The motion passed 5-1, with Kellum voting no.

November and December 2014 Council meeting dates.

Konopa asked the Council if the meeting dates are acceptable. They Council concurred. Discussion followed about whether a motion was necessary.

BUSINESS FROM THE COUNCIL

Kopczynski said that he was at work and noticed a fire hydrant with a traffic cone on it. Crews were doing preventative maintenance on about 250 hydrants. Kopczynski described the process.

Johnson said she is sad to hear that Western Tool Supply closed.

Johnson said she was watching Channel 28 and the sound is off again. Discussion followed about different issues with Channel 28 and 23. Johnson thinks that if they are going to televise meetings, they should do it well.

Hare said that if people are generally dissatisfied with the televised meetings, then the City should not do it because there are no resources for it. He has been an advocate for a long time for broadcasting meetings, but the most reliable way to see them is online, where they can be watched at the viewer's convenience. In his opinion the television portion was a secondary way for folks to watch. Some do watch, but if the City needs to upgrade and make the product more

professional, they don't have the money to invest for the very few that watch the televised meetings. Discussion followed about who is watching Council meetings on Comcast versus on the City's website.

Collins wants to know the magnitude of the problem first. He thinks they should talk to Comcast to see what, if anything, can be done to fix it and the cost. If it is not reasonable to fix it, then they should not televise. Staff will look into it.

Kellum said Western Tool Supply started in Albany in the 1970s. They grew to 20 stores and it is ironic that the Albany store closed. His understanding is that a piece of them moved to Ferry Street.

Coburn said he heard from a citizen who recently moved here who complained that the sewer bill seems high compared to their water usage. Assistant City Manager/Public Works and Community Development Director Mark Shepard said that his staff had a long conversation with the customer. If a new customer has no history the City starts with 8 hcf until they have established their own; then the following winter the sewer usage portion would be based on their water use. Coburn said his request was to match the sewer use to water use until his own history established. Shepard said staff could investigate that if the Council wanted; it would take Council action to change the billing methodology. Coburn said he understands how and why the City bills that way but from the citizen's viewpoint, using 3 hcf of water and being charged 8 hcf for sewer doesn't seem right. Shepard said the Council granted the Public Works Director some authority for changes in sewer-only customers. He said they can look for some flexibility in addressing water and sewer customers who do not have established use and can bring something back to the Council.

Coburn said he understands there is a balance between what staff has time to do, versus being able to help citizens. Shepard said they may want to avoid accommodating just those who complain; rather they should focus on treating people equitably.

Councilor Dick Olsen commented on the fire hydrant work that Kopczynski described. He said he was pleased with the cheerfulness of City staff and how quickly they worked.

Konopa noted that the Albany Municipal Code Section 2.04.010 specifies that Council meetings are on the second and fourth Wednesday at 7:15 p.m., so changing the schedule for November and December should be done with a formal motion.

MOTION: Coburn moved to adopt the November – December 2014 schedule for City Council Regular Sessions and Work Sessions as presented in the staff report. Johnson seconded the motion and it passed 6-0.

Discussion followed about the different start times for Work Sessions, Regular Sessions, Central Albany Revitalization Agency (CARA), and other meetings.

Hare said there is an issue to discuss regarding a request from Greater Albany Public Schools (GAPS). They will be making improvements to the field at South Albany High School and have asked if the City would be willing to waive or forgive the permitting fees. Hare said Public Works can refund the Erosion and Sediment Control Program (ESCP) fee that GAPS already paid, which is about \$1,000. The other issue is \$4,600 for plumbing permits, but the City has less discretion. He advised the Council not to waive that fee because we have to pay a large percentage to the state. Hare said if the Council wants to honor GAPS' request, they could designate funds to pay the permits for them. State law requires that building department fees can only be used for the building department so they can't be waived. The fees would need to be paid with other funds.

Konopa said there have been other requests made over the years to waive fees, such as by nonprofits, so the City's policy has been not to waive them. They have waived some for CARA projects because that contribution goes through System Development Charges (SDCs) and they still get paid with an inter-fund transfer. Hare said that is the same type of transaction they are discussing.

Kopczynski asked, are they requesting it because it is critical for to their funding or because they want us as a partner? Hare said, both. They did point out that the City of Millersburg gave them \$25,000. Coburn asked, do we see opportunity for the City to use the field, such as for Parks & Recreation programs, to justify a donation? Hare said there may be some opportunity, though the Parks & Recreation Director noted that there is nothing on the immediate horizon. Discussion followed.

Konopa noted that if the Council decides to contribute then they should be prepared for West Albany High School to ask also.

Johnson doesn't see it as an economic development issue so she is not sure she supports the request.

Coburn wants to find a way to tie it onto something that makes sense, like Transient Lodging Tax (TLT). Hare said GAPS did point out that a better field would be attractive to tournaments, etc.

Konopa said there is a program within the TLT policy that they may qualify for; they could put in a request for those funds. Discussion followed.

MOTION: Collins moved to direct staff to find a way to pay the equivalent of the plumbing permit fee on behalf of GAPS for South Albany High School; and identify a reasonable relationship between the funding source and GAPS. Coburn seconded the motion and it passed 6-0.

Shepard said Council asked when Portland Western Railroad would be moving from the Queen Avenue yard to the new switch yard in Millersburg. Construction is complete but there are a couple of switches that ODOT still needs to approve since they are the funding source.

Shepard passed out two graphs titled "7-day Average Water Demand" and "Daily Water Production" (see agenda file). They demonstrate how the recent dry spell has effected production at the Water Treatment Plants (WTP). The first chart shows the spike in water demand and the second chart shows the Albany-Millersburg WTP and the Vine Street WTP.

Kellum asked if the Vine Street WTP is on in the winter time. Shepard said yes, occasionally; and it will be used more often moving forward in order to meet state regulations. Kellum asked if the Albany-Santiam Canal gets water from Lebanon's storm water. Shepard said yes; though Albany has asked them to do what they can to divert storm water flow or to help pay to clean up the flow.

NEXT MEETING DATE: Work Session August 11, 2014
 Regular Session August 13, 2014

ADJOURNMENT

There being no other business, the meeting was adjourned at 8:38 p.m.

Respectfully submitted,

Reviewed by,

Mary A. Dibble, MMC
City Clerk

Stewart Taylor
Finance Director