

CITY OF ALBANY
CITY COUNCIL WORK SESSION
Municipal Court Room
Monday, March 10, 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, Ray Kopczynski, Dick Olsen, and Rich Kellum (arrived at 4:02 p.m.).

Councilors absent: None.

City Manager Wes Hare distributed copies of the Workplace Discriminatory Harassment Policy and WeShare columns relating to harassment and discrimination [see agenda file.] He said he wanted to respond to an article in the *Albany Democrat-Herald* regarding allegations of discrimination in the Fire Department. He said the City has clear policies that prohibit discrimination and harassment. Every new employee is required to attend an orientation where those policies are thoroughly discussed. In addition, employees sign a document stating that they have reviewed the policies and that they understand that discriminatory harassment is not acceptable. If there is evidence of harassment, there is a process that occurs to address it. Hare said, we want a safe workplace environment. This is not a new policy or something that has been ignored. He said there is periodic training offered every other year for employees. He said there has also been specific training just for the Fire Department as well.

Hare mentioned that the article in the newspaper stated that there has only been one Bureau of Labor and Industries (BOLI) complaint within the City. He clarified that there has only been one BOLI complaint that has been upheld, but there have been four or five complaints over the past several years. BOLI didn't find a reason to take action with most complaints. He said prior to the BOLI complaint, he has written several weekly columns about harassment and discrimination. He said the columns clearly articulate the City's position on the issue and he knows employees read them. He said he, along with Human Resources, has an open door policy. City policy states that employees are directed to take complaints to the Human Resources department. In addition, during new employee orientation, Hare encourages employees to bring problems to him to resolve issues. Hare said he has worked with Chief John Bradner for nine years and he is a conscientious, competent, compassionate, and honorable fire chief. He has complete faith in Bradner and knows he will continue to take actions to address concerns.

Councilor Rich Kellum said the article mentioned different standards for males and females. He asked if there are different standards. Hare said there are standardized tests that all employees have to meet. He hasn't heard of any complaints about the entrance requirements or standardized test that are used.

Councilor Floyd Collins said he has received several phone calls asking what the City Council is going to do about this issue. He said Council is prohibited by Charter from intervening in individual personnel issues. The City Council has only two employees; the Municipal Court Judge and the City Manager. He said he has reiterated the City's policy that states we will establish, promote, and maintain a culture and environment free of bias and discrimination. He noted that what was acceptable 45 years ago is no longer acceptable today.

Hare said he is dedicated to doing whatever he can to ensure that employees' legitimate concerns are addressed appropriately. There have been a number of employees who have been disciplined for infractions regarding the harassment and discrimination policy.

Konopa said, you can't control what one employee is going to state to another employee. She said the employee can be disciplined.

Councilor Ray Kopczynski said he hasn't had any phone calls or e-mail messages about this issue.

Councilor Bessie Johnson said one of the comments in the article was about the non-promotion of the female employees. She asked if that is true. She said this is an important issue that needs to be addressed. Hare said there are equal opportunities for employees to be promoted. He said one of the issues in a small organization is that there are not a lot of promotional opportunities.

BUSINESS FROM THE PUBLIC

None.

GIBSON HILL ROAD SIDEWALK PROJECT UPDATE

Civil Engineer III Nolan Nelson directed Council to the map in the agenda packet. He said during the design process, staff and the consultants determined it would be too expensive to build on both sides of Gibson Hill Road. The north side has a significant amount of right-of-way needs, wetlands issues, and major utility conflicts that would prohibit a cost-effective build of the sidewalk. He said a decision was made to build the sidewalk on the south side and add two additional pedestrian crossings between the two sides. There will also be two bus turnouts; one at the end of Patrick Court and the other at Gibson Hill Park. He said there may be a few sections of sidewalk built on the north side to connect northern neighborhoods; however, this will depend on if there is enough money once bids have been opened. A 90 percent project review was done in January; this included the Oregon Department of Transportation (ODOT), the consultant, and City staff. ODOT concluded that the earliest the project could be sent out for bids would be May 2014. Nelson said this posed problems for the City because bidding in May will likely mean more expensive construction prices and ODOT requires a 60-day time period between the bid openings and award. He said construction couldn't be started until mid-July, and that means construction would potentially be taking place when kids are in school and that poses problems for traffic control and kids' safety. For these reasons, staff has decided to delay construction until the summer of 2015. He said the bid opening will take place on January 29, 2015.

Johnson asked if the north side was included in the project to begin with. Nelson said the north side was being considered, but a survey wasn't in place and there were many unanswered questions. He said once staff had all of the information, they realized there were too many issues and cost prohibitions to build it.

Collins said this is a joint project with ODOT, and the state is contributing \$1.2 million dollars toward it. He said if it would have been just a City project, we would have better control over the timeframe, but we wouldn't have received the \$1.2 million dollars for it. He said even with the one-year delay, the City is ahead of the original schedule.

Councilor Dick Olsen asked if the sidewalk is set back from the street. Nelson said a good portion is set back and some is brought up to curb and gutter. Olsen suggested planting trees along the sidewalk to give pedestrians a feeling of security.

Konopa asked how wide the sidewalk will be. Nelson said it will be six feet wide. Collins said, we need to be clear about expectations. The road is not being rebuilt. He said it is a Benton County roadway, but they don't have money to do the project. Olsen asked if there will be curbs. Nelson said there will be curbs where the sidewalk is against the roadway. Konopa asked if a storm drain will be installed. Nelson said there will be an extension of the storm drain in areas but not a full storm drain system for the length of the project.

Assistant Public Works Director/City Engineer Jeff Blaine said a couple of years ago, staff had originally discussed moving forward with a rural section for Gibson Hill Road. He said, conceptually, the plan is to keep the road as it is with roadside ditches and setback sidewalks. Olsen asked if there are benefited property owners along the section of road. Public Works and Community Development Director Mark Shepard said yes and that Council could choose to form a Local Improvement District to find additional funding. He said the great thing about this project is that the City received a grant of federal money through ODOT to do most of the work.

Johnson asked if there is enough room for the bus turnouts. Nelson said there is enough room in the right-of-way areas that were chosen because of the wider pavement section. The buses will completely leave the roadway when they drop-off or pick-up individuals.

NORTH ALBANY ROAD PROJECT UPDATE

Civil Engineer III Chris Cerklewski said this project includes reconstruction of North Albany Road from the railroad tracks up to 500 feet north of Quarry Road. This includes new pavement, curbs and gutters, sidewalks, and storm drains. He said Thornton Lake Drive will be realigned to intersect at the North Albany Middle School traffic signal. He said one change that came out of the design process is that the bridge will have to be completely replaced and raised about 2-2.5 feet in order to allow for emergency access during a 100-year flood. He said there is a deep ditch on the west side, and it will be replaced with an underground pipe storm drain system. Two locations have been identified for improved pedestrian crossings; one at East Thornton Lake Drive and one at Quarry Road.

Cerklewski said staff had hoped to begin construction on the project this summer, but that won't be possible due to a variety of reasons including bridge design details, acquiring required permits, and right-of-way dedication efforts. He said he should have the Department of State Lands (DSL) wetlands permit by early June. The advantage of delaying the project is that all the details should be resolved.

Kopczynski asked what the timetable is for construction once ground has been broken. Cerklewski said the project would start the day after school is out and go until Labor Day. He said the goal is to get the project completed during summer break.

Konopa said all traffic is going to be diverted over to Springhill Drive. She asked if traffic will be detoured through Cascade Heights. Cerklewski said no sign detours will be put up at Cascade Heights, but he assumes some drivers will still go that way. Konopa asked if there will be additional safety improvements along Quarry Road and Springhill Drive. Cerklewski said yes, staff is working with Benton County because both roads are county roads. A temporary signal is anticipated for the intersection of Quarry and Springhill during construction.

Blaine said both the Gibson Hill Road Sidewalk project and North Albany Road project will be done during the same time period. Collins suggested sending letters about the project to people who live on Springhill Drive and Quarry Road. Cerklewski said public outreach will be done to inform residents about the projects.

Shepard commended Cerklewski and Blaine. He said they put a lot of effort in trying to get the project done this year.

Kellum asked if there is an overall map of the construction that will be happening this year. Blaine said Engineering Manager Staci Belcastro constructed an interactive map on the City website showing all of the construction projects. Belcastro said the map shows projects under design and construction. She said it also provides contact information about who is managing the project.

Blaine said this project is estimated to be over budget as mentioned in the memo. However, it is still significantly under what the estimate was in the Transportation System Program (TSP). He said half of the funding gap can be made up by using Transportation System Development Charges (TSDCs) and another \$500,000 can be made up with Surface Transportation Program (STP) funds.

SANTIAM-ALBANY CANAL DISCUSSION

Blaine said Lebanon has requested a new water intake on the Santiam-Albany Canal (Canal) for a new Water Treatment Plant (WTP) about 1.5 miles upstream of their current location. Albany and Lebanon have both used the Canal as a source of drinking water for over 100 years. He said the Canal is 18 miles long and goes through the City of Lebanon, unincorporated portions of Linn County, and the City of Albany. He said the last written agreement between Albany and Lebanon for use of the Canal is a 1986 Intergovernmental Agreement (IGA). The IGA indicates that Lebanon is responsible for paying one-third of the total annual operating costs along with providing an annual contribution for capital improvements. In recent years, Lebanon hasn't abided by the agreement or modifications made to the agreement. He said over the last several years, Albany ratepayers have been picking up some of the costs that should have been paid for by Lebanon ratepayers. Staff has made several requests to Lebanon staff to participate at the agreed upon levels, to pay their past due balances, and start discussions about creating a new IGA. However, those discussions have been only marginally successful.

Blaine said in late 2013, Lebanon staff approached Albany with a request for a new intake on the Canal for a new Water Treatment Plant. He said Lebanon had already determined the Canal to be the source of supply for the new plant, they settled on the location for the plant, and were initiating a process to hire an engineering consultant for the design. Albany staff identified several things that needed to happen before issuing a permit for the connection; one of those things being a new IGA between the two communities. This sparked a series of meetings between the two staffs. He said there is a positive working relationship with the current Lebanon staff and some progress has been made. He believes both communities would like to see Lebanon construct a new Water Treatment Plant and to have a new IGA in place that is easy to implement and includes equitable cost-sharing agreements.

Blaine said staff's approach was to initially separate the required activities along the Canal from the costs in order to focus on the areas of shared interests and responsibilities first. The costs for meeting those activities could then be equitably divided. He said attachment four, which was created by Albany staff, in the memo identifies areas of shared interests and responsibilities. He said the goal was to work with Lebanon staff to create a similar document that we would bring to both of our Councils and then use it to help shape a new IGA. He said Lebanon staff reviewed the draft and said that the two staff's opinions were too far apart to generate a document that they would support. Lebanon is requesting that the City put all other issues aside and focus on the new intake; letting the other issues work themselves out on their own timeline. Albany staff is in disagreement with that approach. He said he is seeking direction from Council regarding five questions (see agenda file).

City Attorney Jim Delapoer said it is instructive to realize that this meeting is being held in public, and staff will ask Council questions in order to get direction. He said the Lebanon City Council had a meeting to discuss this same issue, except it was discussed during an Executive Session under the thought that litigation is likely to be filed. Staff is coming to a point where there will have to be some tough negotiating which will require mutual compromise. Council and staff will have to be prepared to take the steps necessary to protect Albany's ratepayers. He said it is important that the Council supports staff's efforts to do what the Council asks them to do. He said staff's goal is to have a clear understanding between the negotiating team and the elected leaders.

Konopa said there has been conversation about this issue for the last 15 years during the budget process. She asked Blaine to go through the questions [see agenda packet].

Question 1 – Should Lebanon pay the City of Albany for unpaid bills from previous agreements for Canal operations and maintenance and capital expenditures prior to Albany issuing a permit for Lebanon’s new WTP intake?

Staff’s recommendation – Yes.

Blaine said Lebanon was current on their payments until July 2007. He said in 2007-2008, Lebanon staff disagreed with the costs being assessed. The Albany and Lebanon Public Works Directors, at the time, met and verbally agreed to temporarily reduce Lebanon’s contributions to \$77,000 per year (\$69,000 for O&M and \$8,000 for capital). He said this was meant to be a short-term arrangement until the two Councils were able to meet and negotiate a new IGA. He said Lebanon has still only made periodic payments and has a current outstanding balance over \$320,000.

Councilor Bill Coburn asked if that amount is at the reduced rate. Blaine said that is correct. Coburn asked what the amount would have been if a reduced rate wasn’t used. Blaine said he doesn’t have an exact amount but according to the IGA methodology, Lebanon’s share would have been \$200,000, just for 2012/2013. He said the gap has been made up by Albany ratepayers. Hare said one of the items Lebanon disputes is the costs related to Albany’s hydropower project being included in their amount. Staff has tried to segregate those costs out so they are not included, but there has still been some disagreement. He said Lebanon is a good neighbor and Albany has acted like a neighbor instead of bill collector. Konopa said Council has talked about getting this resolved for many years. She said it isn’t fair for Albany’s ratepayers to be subsidizing the maintenance and operation of the Canal. Johnson said she is glad staff is working on this issue.

Blaine said Lebanon staff has made an effort to stay current on their billings so far this year. He said Lebanon staff has discussed this issue with their Council. Blaine distributed a news article about the meeting (see agenda file). Albany and Lebanon staff wants to get this issue addressed. Lebanon is proposing to make payment on the past due amount in the next few months. He said Albany staff is recommending the past due balance be paid before issuing any permits for Lebanon’s proposed new intake. Discussion followed. **Council agreed with staff’s recommendation of requiring Lebanon to pay the past due balance amount before issuing a permit for a new WTP intake. Council also asked staff to consider calculating the past due balance based on the IGA, not the verbal agreement, since that methodology wasn’t authorized by Council.**

Question 2 – Should Lebanon be granted permission for a new water intake for their new WTP on the Canal prior to the two communities reaching a new mutually acceptable agreement (IGA) regarding rights, responsibilities, and cost sharing?

Staff’s recommendation – No.

Blaine said staff’s recommendation is no because it is important to have a new IGA in place before moving forward. He said if the permit is released, there will be little incentive for Lebanon to focus on a new IGA. Kellum asked if Albany owns the head gates. Blaine said we do. Coburn asked, what is Albany’s participation in the permit process? Blaine said Albany would be issuing the permit. Delapoer said there are several agencies that need to give their permission to Lebanon as well before they can proceed. He said if staff can’t get Lebanon to agree that Albany’s permission is a prerequisite; then staff will let the governmental partners know that Albany is not in agreement. Konopa said there needs to be an IGA in place with Lebanon before moving forward. Hare said he believes Lebanon wants to step up, and it is good to start negotiations with a level of optimism that an agreement can be reached.

Collins asked what Lebanon’s alternative is if they don’t build the intake on the Canal. Blaine said they would have to go to the river. Collins said that would be much more expensive. He said there is an economic gradient for Lebanon to have the intake on the Canal. He suggests telling Lebanon that we want to work together to find a reasonable solution, but we think there needs to be sufficient agreement on the issues. Konopa asked if Council agreed with staff’s recommendation. **Council agrees with staff’s recommendation that Albany and Lebanon need to reach a mutually acceptable IGA before granting permission for a new water intake.**

Question 3 – Should Lebanon be expected to participate in the cost of the major capital investments at the diversion dam, head gates, and fish screens that have benefited, and continue to benefit, both communities?

Staff’s recommendation – Yes.

Blaine said long before Albany constructed the dam and fish screen improvements; the two communities had been discussing the need to jointly construct a diversion dam, head gate, and fish screen improvements. However, Blaine said that for some unknown reason, Lebanon didn’t participate in the project which cost approximately six million dollars. Konopa said the Council brought this up during the Water Facility Task Force several years ago. She remembers that Lebanon didn’t want to participate because they didn’t want to use the Canal and were going to move to wells. Collins confirmed. Blaine said staff is suggesting some contribution toward those capital improvements from Lebanon because they have been, and will continue to, benefit from them. Lebanon staff believed the improvements were only necessary because of the hydropower project. He said that is not the case; only the timing of the improvements was driven by the hydropower project. The improvements were already required and would have been triggered by a number of activities as identified in the memo. Two of which Lebanon is currently undertaking: A request to expand the use of water authorized under a water right permit, and

other state or federal licenses and permits such as those that will be required for Lebanon's new intake. He said Lebanon has received a significant cost avoidance benefit from Albany prefunding the improvements. Olsen asked what it would cost Lebanon to take water out of the river. Blaine said the costs would be substantial. Collins said Lebanon needs to be required to pay a proportional amount back over time. He said staff can negotiate the appropriate costs. **Council agrees with staff's recommendation that Lebanon will be expected to participate in the cost of major capital investments and the diversion dam, head gates, and fish screens because they have benefited, and continue to benefit, from the improvements. And that the capital reimbursement be secured prior to issuance of a permit for Lebanon's new intake facility.**

Question 4 – Should Albany own the new intake facility on the Canal for Lebanon's new WTP?
Staff's recommendation – Yes.

Blaine said staff recommends Albany owning the new intake facility because Albany will be responsible for the ongoing condition, performance, regulatory compliance, and the overall impact to the Canal. Delapoer said Lebanon has owed Albany money for years and yet the prospect of suing them has been unpalatable. He said Albany's negotiating position is very high if Albany owns the straw that goes in the Canal. He said ownership of the intake facility will make it far less likely that Lebanon won't pay. Konopa asked if Albany can require Lebanon to maintain the facility. Delapoer said if Lebanon owns the facility, they may take the water they need without making the payments they are responsible for. Shepard said Albany staff appreciates the good nature of Lebanon staff, but there is an underlying issue. He said Lebanon needs something from Albany. He said if Albany owns the straw, Lebanon will continue to need something from us and that will be an incentive to make the required payments. Johnson asked if Albany will turn the water off if they don't make their payments. Delapoer said Council would be in a position to restrict water if they chose to make that decision. He said if there was a complete failure of agreement with Lebanon, then Council will have to decide if they are comfortable with that or if they want him to file a lawsuit.

Kellum asked if Lebanon will be able to continue drawing water from the current location. Blaine said Albany will require them to abandon the old facility once the new facility is running. Konopa said if Albany owns the facility, she can guarantee we will not stop water flow. Shepard said in ten years from now, Lebanon will need more water if their community grows. He said Council may not shut the water off, but they could choose not to increase the amount of water Lebanon receives. Delapoer said this is a good negotiation for the Council's successors. Blaine said it puts Albany in a better position for future disputes. Konopa said if it is where we can control the millions of gallons of water per day, then it is a benefit for Albany to own it. Shepard said if we own it, it may give us options to negotiate with Lebanon on ways to capitalize on improvements. Collins said we could control the flow. Delapoer said we want to have a physical role in the process that can't be bypassed. Collins said he is not in support of the way the question is written. He would be in support of it if it stated "or find ways to control the flow to the structure." He said if he was on the Lebanon Council, he would want to own the structure. He said what we are interested in is being able to control the flow. He believes we can come to the same point in a different way. Blaine said Lebanon owning the structure will carry additional risk and burden for Albany. Collins suggested including a statement in the IGA that Lebanon will be financially responsible for any of their violations. **Council modified staff's recommendation by stating that Albany should be able to control the water flow into Lebanon's new intake facility. If Albany doesn't own the structure, other O&M and regulatory requirements should be addressed in the IGA.**

Question 5 – Should the new IGA address key issues that may significantly impact Albany's Canal operating and capital costs, drinking water safety, and long-term protection of the Canal and adjacent properties.
Staff's recommendation – Yes.

Blaine said this question addresses future work that will be done on the IGA. This includes the following:

- An operation and maintenance cost-sharing methodology equitable to Albany and Lebanon ratepayers.
- Contributions for future capital improvements and studies that are proportional to each community's need for, or benefit from the projects.
- The downstream impacts of Lebanon's storm water discharges to the Canal.
- Management of impacts to the Canal and facilities from adjacent land uses, new developments, and construction projects.
- Define how to address new issues that emerge that might not be anticipatable in a new IGA.

Konopa said she appreciates that staff is addressing several issues that need to be included in the IGA. Collins said the Canal shouldn't be Lebanon's point of disposal for storm water. He said the IGA needs to require Lebanon to notify Albany about any hazardous spill into the Canal. **Council agrees with staff's recommendation that the new IGA should address key issues that may significantly impact Albany's Canal operating and capital costs, drinking water safety, and long-term protection of the Canal and adjacent properties.**

Blaine said staff will use Council's direction to meet with Lebanon staff and start working on a new IGA. Staff will also work with Lebanon on design review for their new intake structure. If everything goes according to plan, staff will bring back a proposed draft IGA to the Council that both cities agree on. He said if the two staffs

reach an impasse, the topics on which we cannot reach agreement could help shape the scope of a future joint Council meeting. There was a joint meeting scheduled for April 30, but Lebanon staff requested that the meeting be rescheduled for a later date. Albany staff agreed that was a good idea. Blaine said Lebanon staff is trying to make some improvements and it is important to recognize that they are making an effort. Shepard said this has been a monumental project for city staff and they have done an incredible job looking at all of the details. He applauded staff for all of the work they have done so far on this issue. Konopa said she appreciates Lebanon wanting to discuss this issue.

STRATEGIC PLAN UPDATE

Hare said the Council has seen the Strategic Plan and there are no huge changes recommended in the plan this year. He said one of the reasons for the Budget Committee is because we do not plan to reduce services. This presents some challenges to the budget this year. He said we need about \$500,000 in the General Fund to maintain service levels. He said staff has started preparing the budget with the idea that if the need is there, they could take money from the payments in lieu of franchise fees that currently goes into the Street Fund and put it into the Public Safety Fund. He said there are other alternatives and places to look for the money. He said to meet the expectations of the Strategic Plan; he suggests using the in-lieu-of franchise fees payments as a contingency. He said it is not without consequences because there won't be as much money available to maintain streets. He said, there are other sources of money used for streets, but it could delay some projects.

Hare said the other option is to look at something that will require more substantive changes. He said he wanted to make sure the Budget Committee is aware of what staff is considering. Konopa clarified that this is just a contingency plan because property taxes could come in a bit higher. Hare said at this point, the best guess is that we will need money to maintain service levels. He said the state of Oregon has appealed the Hewlett Packard decision and if the appeal goes through, Albany could likely get \$400,000. He said Albany is not at a level of making cuts, but it is an issue that needs to be addressed. He said there is no painless way to do this because we have to either cut expenses or raise revenues.

Johnson said the Community Pool would be one example of where we could get extra money. She asked for some ideas of where money could come from if Council and the Budget Committee want to go a different direction. Hare said the Pool, Parks & Recreation, franchise fees, outside agencies and/or Transit are possibilities. He said the City uses state-shared revenues to fund our portion of transit services. He said a consequence would be losing the service, partnerships, and jobs. He said we would also lose hundreds of thousands of federal dollars. Johnson asked what other services the General Fund includes. Hare said there are not too many other places to cut. Hare said 80 percent of the General Fund is for public safety. Johnson said, we have to think outside of the box such as closing the office on Fridays.

Collins said the function of City government is to do things for the public that they can't do for themselves. He said that starts with public safety; then protection of health and welfare which includes water and sewer, and streets; and then leisure services. He was on staff when the in-lieu-of franchise fees discussion came up. He said it was a long debate, but it came down to needing to improve streets in Albany. He said, we restricted ourselves by code with the franchise fees going to the Street Fund with the intent of accelerating our improvements of the streets. He said if we reverse the direction, there will be streets that won't be touched for years. He said if we don't take care of the streets in a timely manner, they cost three times as much in the future. He said the costs in the General Fund will continue to grow and we will be back in the same situation. Hare said we have had periods where revenues in the General Fund have come in at a higher pace than expenses have been going up. When this happened, we increased the reserves. He said we can never put away enough to deal with the level of decrease we have seen in recent years. He said there is not an easy answer to this. Collins asked if five percent is the minimum amount of reserves to have in the General Fund. Hare said that is the minimum; right now we are at eight percent. Collins said if the Council and Budget Committee choose to use the franchise fees as a contingency, he wants it treated as a loan that needs to be paid back.

Coburn said we are short \$500,000. He asked, can we afford to maintain all the services we provide? Taking from the Street Fund doesn't improve the situation. He said more people use the streets than the transit system. He isn't proposing anything tonight, but he wants to have options. Hare said this is a discussion that will be continued with the Budget Committee.

Kellum said when he was on the Budget Committee he was dismayed by the limited amount of time spent on the budget process. He said, if there is a good possibility that we aren't going to be able to fund everything, staff needs to know soon.

Budget Committee Scott Pierson asked if the projections for total revenues will be up or down. Hare said they will be up slightly but not enough to cover the General Fund costs. He said the biggest issue is the increasing costs of personnel that are built into the system. He said Albany lost arbitration last year and is mandated to deliver raises to a certain percentage of employees in the General Fund. He said we are bound by labor contracts, and 80 percent of the costs are for labor. Pierson said if we were stuck with the same budget, we would have to modify the Strategic Plan so it has a lower service delivery metric. He said it is difficult for a Budget Committee to spend only three days discussing an entire annual City budget. Hare said in order to meet the objectives of the

Strategic Plan, we will need to find additional resources within the City. He said the Budget Committee can take as much time as they want. Konopa said the budget doesn't end at the Budget Committee level; it still has to go to the City Council for a couple of Public Hearings. Pierson said having a Budget Committee allows for a different set of eyes to look at the budget.

COUNCILOR COMMENTS

Kellum asked Delapoer about the Legislature's decision regarding medical marijuana dispensaries. Delapoer said they are suggesting a possible ban until March 2015. He said this hasn't been passed yet, but the League of Oregon Cities believes it will be passed in the next two weeks. It will allow the City to impose regulations or a moratorium. He could bring the Council a draft ordinance to Wednesday's meeting for a first reading, but it would be premature to adopt it until a state law is adopted. Hare said if the Council is interested in going down this road, it could be discussed at the March 24 City Council Work Session. Konopa mentioned the Measure included language that allows cities to create reasonable regulations. She asked if it could go through the Development Code process to specify keeping dispensaries 350 feet from residential zones. Delapoer believes it will be difficult to do this through land use code. Konopa asked if it could go in the Municipal Code. Delapoer said yes. Kopczynski said just because Council can change the Municipal Code doesn't mean we should. Johnson said we have received a letter signed by the Police Chief, Linn County Sheriff, and District Attorney stating they are against medical marijuana dispensaries.

Hare asked if the Council would be okay with two ordinances being brought back for consideration. One would be for a moratorium and the other for regulations. He said this could be done in a public session so the public has a chance to comment on the issue. Delapoer said if the Council chooses regulations, they may be subjective.

Johnson noted that there are only four medical marijuana dispensary inspectors for the entire state.

Staff will prepare two ordinances for Council's consideration at the March 24 City Council meeting.

CITY MANAGER REPORT

None.

ADJOURNMENT

There being no other business, the meeting was adjourned at 6:25 p.m.

Respectfully submitted,

Reviewed by,

Diana Eilers
Administrative Assistant I

Stewart Taylor
Finance Director