



CITY OF ALBANY
CITY COUNCIL WORK SESSION
Municipal Court Room
Monday, March 10, 2014
4:00 p.m.

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.

AGENDA

- 4:00 p.m. **CALL TO ORDER**
- 4:00 p.m. **ROLL CALL**
- 4:00 p.m. **BUSINESS FROM THE PUBLIC**
- 4:05 p.m. **NORTH ALBANY ROAD PROJECT UPDATE** – Jeff Blaine
Action Requested: Information; discussion; direction.
- 4:25 p.m. **GIBSON HILL ROAD SIDEWALK PROJECT UPDATE** – Nolan Nelson
Action Requested: Information.
- 4:35 p.m. **SANTIAM-ALBANY CANAL DISCUSSION** – Jeff Blaine
Action Requested: Information, discussion.
- 5:10 p.m. **STRATEGIC PLAN UPDATE**
Action Requested: Information, discussion, direction.
- 5:45 p.m. **COUNCILOR COMMENTS**
- 5:55 p.m. **CITY MANAGER REPORT**
- 6:00 p.m. **ADJOURNMENT**

City of Albany Web site: www.cityofalbany.net

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



TO: Albany City Council

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

FROM: Jeff Blaine, P.E., Assistant Public Works Director/City Engineer *JB*

DATE: March 5, 2014, for the March 10, 2014, City Council Work Session

SUBJECT: Project Updates for ST-12-02, Gibson Hill Road Sidewalk and ST-13-03, North Albany Road Reconstruction

RELATES TO STRATEGIC PLAN THEME:

- Great Neighborhoods
- A Safe City

Action Requested:

No action required.

Discussion:

Gibson Hill Road Sidewalk Improvements

In March of 2012 Albany received a Flexible Funds grant from Oregon Department of Transportation (ODOT) in the amount of \$1,180,000 for sidewalk improvements between the North Albany roundabout and Scenic Drive. The grant included a \$290,000 match from the City. Together, these funds will be used to construct sidewalk improvements along the entire south side of Gibson Hill Road and portions of the north side. Improvements will also include improved pedestrian crossings (to get from the north to the south side of the road) and bus stop pull outs for use by both Albany's transit system and Greater Albany Public Schools (GAPS) school buses as shown on *Attachment 1*.

Flexible Fund grant projects are managed by ODOT for both the design and construction phases of the project including all contracts. As a result, Albany staff has limited control over the project elements. For instance, Albany staff has much less control over decisions regarding project schedule than if it was an Albany managed project. The design for this project has been complete for several weeks, however, the earliest ODOT would bid the project is May 2014.

Albany staff does not anticipate that bidding in May will result in favorable bid prices for construction nor allow us to meet our desired construction window of when school is out. In conversations with ODOT, staff learned Albany would only be allowed to reject all bids if all bids were at least 10 percent over the engineer's estimate. Consequently, if bids come in high as staff anticipates there is a good chance Albany could be responsible for up to an additional 10 percent of the total construction cost. Rather than risk Albany's limited street funding, staff requested the bid date be pushed to winter 2015. Therefore, construction of the Gibson Hill Road Sidewalk project is currently scheduled for summer 2015.

North Albany Road Reconstruction Project

The North Albany Road reconstruction project was approved as part of the FY 2012-13 Capital Improvement Program and budget. The project includes reconstruction of North Albany Road from the Portland & Western Railroad tracks to approximately 500 feet north of Quarry Road, and will include new pavement, curb and gutter, sidewalks, and storm drains. As part of the project West

Thornton Lake Drive will be realigned to intersect North Albany Road at the North Albany Middle School traffic signal. In addition, the second phase of the Broadway Reservoir Water Transmission Main was combined with this project to minimize construction impacts to the public and to realize project savings due to economies of scale. The transmission main will be a 30-inch HDPE water line that will extend north from the Park and Ride site to an existing transmission main southwest of the Gibson Hill Road roundabout. A project vicinity map is provided as *Attachment 2*.

At the November 4, 2013, Council Work Session staff provided a project update to Council and sought direction on options for moving forward based on preliminary total project cost estimates that were over the current budget. Council reaffirmed the importance of North Albany Road as an emergency access route and directed staff to continue with design efforts to that end. Council also directed staff to return to Council once the final engineer's estimate was completed so Council could evaluate budget impacts prior to authorizing staff to bid the project.

At the Work Session, staff also identified remaining permitting activities and iterative design efforts between bridge design, floodplain modeling, and road design that made it unlikely the improvements would be constructed during the 2014 construction season. The project design is now far enough along to provide Council with an accurate update of the cost and schedule of the project.

Current Cost Estimates

The North Albany Road design is approximately 90 percent complete. Current estimates show road improvement totaling \$4.4 million which is \$1.5 million over the current budgeted amount for the project. While the current estimate exceeds the budgeted amount, it is less than the original project estimate provided in the Transportation System Plan (TSP) and Transportation SDC methodology (\$7.5M in today's dollars). Staff had reduced the project estimate when developing the design and construction budget to reflect anticipated projected cost savings resulting from the lower floodplain elevations identified in the North Albany Floodplain Study and the plan to reuse the existing bridge. Unfortunately, a new bridge with a wider span is required and cost savings have not been realized to the levels originally anticipated. The table below shows the current estimated street funds required to construct the North Albany Road improvements as compared to the original TSP estimate and the FY 2013-14 budget.

Original Estimate (TSP)	\$7.5 M
Current Estimate (90% Design)	\$4.4 M
Budgeted Amount (FY 2013-14)	\$2.9 M

In anticipation that the project cost estimates would exceed the budget, staff has been discussing the need for additional funding with the Albany Area Metropolitan Planning Organization (AAMPO). The AAMPO policy board recently voted to distribute 2014 Surface Transportation Program (STP) funds to their members at a rate similar to pre-AAMPO distribution levels. Once finalized, the distribution should provide approximately \$590,000 for the North Albany Road project.

Consistent with the adopted SDC methodology, additional funding could also be provided through SDC-I reserves (currently \$2.7M). Based on the current estimate, approximately \$700,000 of

additional funding could be provided. The remaining \$200,000 deficit can be funded through available Gas Tax revenues.

In summary, once the AAMPO finalizes STP distributions there will be adequate funds available to construct the North Albany Road Reconstruction project.

Current Construction Schedule

As staff forecasted in November, it will not be possible to bid the North Albany Road Reconstruction project for construction during the 2014 construction season despite significant effort to complete the design and permitting work. It was determined a new bridge with a wider span is required for Thornton Lake. That alone significantly impacted the time required to complete the bridge design and abutting road improvements. Design is currently projected to be completed by mid April. In addition to the design efforts, there are several permitting and right-of-way dedication efforts still in process that will likely take six to eight more weeks to conclude.

At the November Work Session, Council agreed with staff's recommendation to hold the project over to 2015 in order to hit a more favorable bid schedule if the project could not be bid in March. Council also emphasized they did not want to sacrifice the quality of design just to expedite the bid.

Based on the remaining design and permitting work, and the direction received from Council, staff plans to bid the North Albany Road Reconstruction project early in 2015 for a summer 2015 construction schedule.

Budget Impact:

No budget impact at this time. The funding strategy proposed for North Albany Road will be provided for review through the fiscal year 2014-15 budget process.

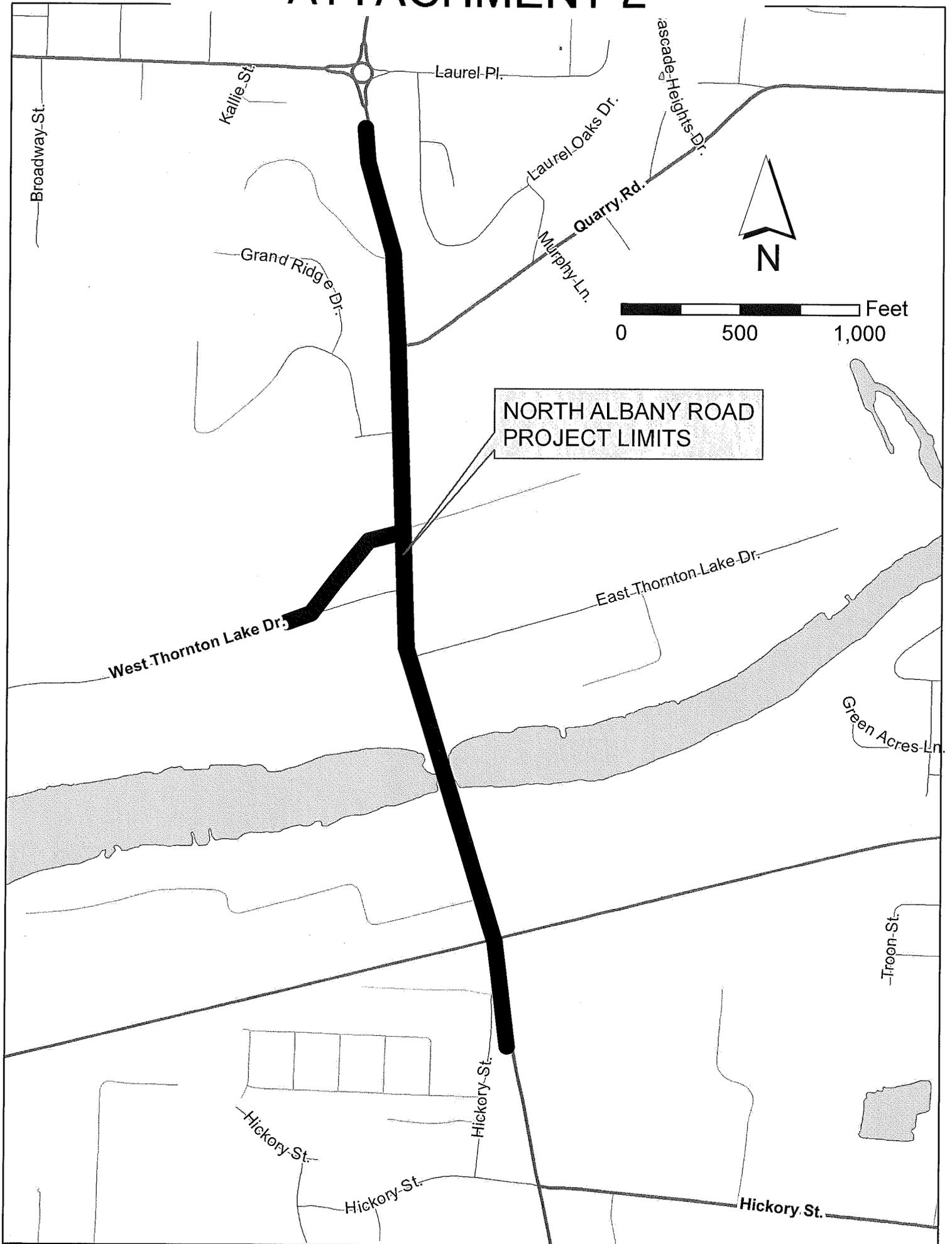
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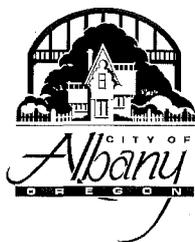
Attachments



ATTACHMENT 1: VICINITY MAP
GIBSON HILL ROAD SIDEWALK IMPROVEMENTS

ATTACHMENT 2





TO: Albany City Council

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

FROM: Jeff Blaine, P.E., Assistant Public Works Director/City Engineer *JB*

DATE: March 5, 2014, for the March 10, 2014, City Council Work Session

SUBJECT: Lebanon Agreement and Payment History For the Santiam-Albany Canal

RELATES TO STRATEGIC PLAN THEME:

- A Safe City
- An Effective Government

Action Requested:

This report provides Council with an update on the status of discussions with City of Lebanon staff regarding the Santiam-Albany Canal (Canal). Staff is seeking Council direction on several items related to the City of Lebanon's request for a new water intake on the Canal, and the need for a new Intergovernmental Agreement (IGA) between the two communities.

Introduction and Background:

The City of Albany has owned and operated the 18-mile Canal since 1984, when it purchased the entire Canal system from Pacific Power and Light. (Detailed history and background on the development of the Canal is included as *Attachment 1.*) At about the same time, the City of Lebanon purchased its water system, which also relied on flows diverted from the South Santiam River to their intake on the Canal. Consequently, Albany entered into an IGA with Lebanon for their continued use of the Canal.

The primary uses of the Canal by Albany and Lebanon are as follows.

For Albany, the Canal provides:

1. Supplemental domestic water supply
2. Water for hydropower generation

For Lebanon, the Canal provides:

1. The city's sole source of water supply
2. Storm drainage conveyance infrastructure

The City of Lebanon plans to construct a new Water Treatment Plant (WTP) to replace its aging facilities and expand its current capacity. Lebanon has purchased property adjacent to the Canal about a mile and a half upstream of their current WTP, and has requested cooperation and the necessary approvals from Albany to construct a new water intake. (See map included as *Attachment 2.*)

Albany Staff had previously identified, and the Council confirmed that there is a need to develop a new IGA with the City of Lebanon for operation and maintenance of the Canal. Lebanon's recent request has again brought that discussion to the forefront. Over the last several months staff has been meeting with Lebanon staff, conducting research, and preparing the background information required for a new agreement. Discussions with Lebanon staff have centered on the needs and

expectations of our two communities. These discussions have been positive and congenial. However, it appears there is a lack of agreement on all of the responsibilities and the appropriate path forward.

A 1986 IGA between Albany and Lebanon (provided as *Attachment 3*) was the last written agreement under which Albany operated and maintained the Canal for the benefit of both communities. The IGA specifies Lebanon is responsible to reimburse Albany for one third of the total annual operating costs, as well as provide an annual contribution for capital improvements. Over the years, Albany has continued to maintain all aspects of the Canal, and has made significant capital investments to maintain regulatory compliance including improvements to ensure flow structures and controls provide ongoing source water for the existing Lebanon WTP, among other things.

In recent years, Lebanon has not abided by the cost-sharing method specified in the IGA and has fallen in arrears in making payments for both ongoing operating and capital contributions, therefore breaching the 1986 agreement. Lebanon has not participated in capital improvements in Lebanon or at the Canal head works. (Lebanon's payment history is discussed in greater detail below.) Finally, issues related to managing Lebanon's storm drainage impacts to the Canal have not been addressed to Albany's satisfaction over the years. Lebanon's storm drain discharge impacts downstream Canal maintenance requirements. The end result of Lebanon's lack of participation has been that Albany water rate payers have paid for significant costs that arguably should have been shared with Lebanon utility customers.

Due to the factors described above and Lebanon's current request to construct a new intake, staff has informed Lebanon that a new IGA, including an equitable cost sharing agreement, needs to be agreed upon before Albany will issue a permit for a new intake for Lebanon's new water treatment plant. In discussions between Albany and Lebanon staff, we have identified common interests and shared responsibilities related to the Canal that might be incorporated into new agreements. *Attachment 4* is a document Albany provided to Lebanon staff as a starting point for these discussions. Unfortunately, staffs from the two cities have not been able to reach agreement on these concepts. Despite differing perspectives, Albany and Lebanon staffs continue to have a positive working relationship and there is a desire to reach an amicable solution.

As staff moves forward with discussions with Lebanon we are seeking confirmation of Council's perspective on several key issues. Our time with you at the Work Session is intended to help establish a framework for staff as we have future discussions with Lebanon staff. This memo and attachments detail key issues to address in negotiating with Lebanon so the resulting agreement will represent equitable sharing of responsibilities and costs associated with long-term stewardship of the Canal for both communities.

Discussion:

Staff has identified several key questions that need to be answered in order to move forward with the discussions and negotiations with the City of Lebanon. *Attachment 5* identifies each of the issues and provides important discussion to support each of staff's recommendations. The history, regulatory requirements, and operational needs for the Canal are complex and *Attachment 5* helps focus on the issues surrounding each of the questions. The key questions for which staff is seeking Council direction, and staff's recommendations, include the following:

1. Should Lebanon pay the City of Albany for unpaid bills from previous agreements for Canal operations, maintenance, and capital expenditures prior to Albany issuing a permit for Lebanon's new WTP intake? Staff recommendation – Yes.
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) about rights, responsibilities, and cost sharing? Staff recommendation – No.
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 will continue to be required to serve both communities' water usage in the future? Staff recommendation – Yes.
4. Should Albany own the new intake facility on the Canal for Lebanon's new WTP? Staff recommendation – Yes.
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? These issues include, but are not limited to:
 - a. An operation and maintenance cost-sharing methodology equitable to Albany and Lebanon ratepayers
 - b. Contributions for future capital improvements and studies that are proportional to each community's need for, or benefit from, the projects
 - c. The downstream impacts of stormwater discharges to the Canal in Lebanon
 - d. Management of impacts to the Canal and facilities from adjacent land uses, new developments, and construction projects
 - e. The ability to resolve emergent issues over time that could otherwise impact Albany's costs and liabilities without its explicit consent.

Staff recommendation – Yes.

Conclusions and Next Steps:

Based on the issues and questions discussed above, it is clear there are important decisions to be made with long-term implications for the Albany and Lebanon communities. With preliminary direction from Council on these issues, staff can continue discussions with Lebanon staff. As we negotiate the terms of a new IGA, staff recognizes Lebanon has been focused on its immediate community need for a new WTP and has not had the impetus to contemplate its broader roles, responsibilities, and impacts related to maintaining the Canal as a future source of water for both of our communities. They will understandably be unprepared at the present time to increase their participation in Canal responsibilities. Therefore, we recognize the need to be flexible in implementing a plan and agreement that will enable Lebanon to get its financing and revenue tools in place, and to get its new facilities designed and constructed.

Staff also recognizes, however, that as time goes by, the amount Albany ratepayers are subsidizing the cost of Canal operations for Lebanon has continued to increase, and that there are long-standing issues that need to be resolved. In summary, while the new IGA needs to be reasonably feasible for Lebanon, it also needs to provide appropriate and timely remedies for the issues raised by the City of Albany.

City Council

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Our hope is to be able to return to Council with a draft IGA that both Albany and Lebanon staff can support for further consideration. However, there is the potential for discussions to result in an impasse. If that occurs, staff proposes that any outstanding issues shape the scope of a joint Council meeting between Albany and Lebanon in the future.

Budget Impact:

Implementation of a new IGA that reflects a fair distribution of costs would likely have significant positive financial implications for Albany water-rate payers.

JJB:SS:ms

Attachments

- c: Mark W. Shepard, P.E., Public Works Director and Community Development Director (via e-mail)
- Chris Bailey, Assistant Public Works Director/Operations Manager (via e-mail)
- Susie Smith, Program Development Coordinator (via e-mail)
- James Delapoer, City Attorney (via e-mail)

*Attachment 1
Canal History*

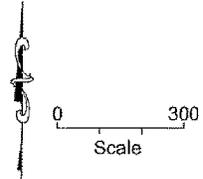
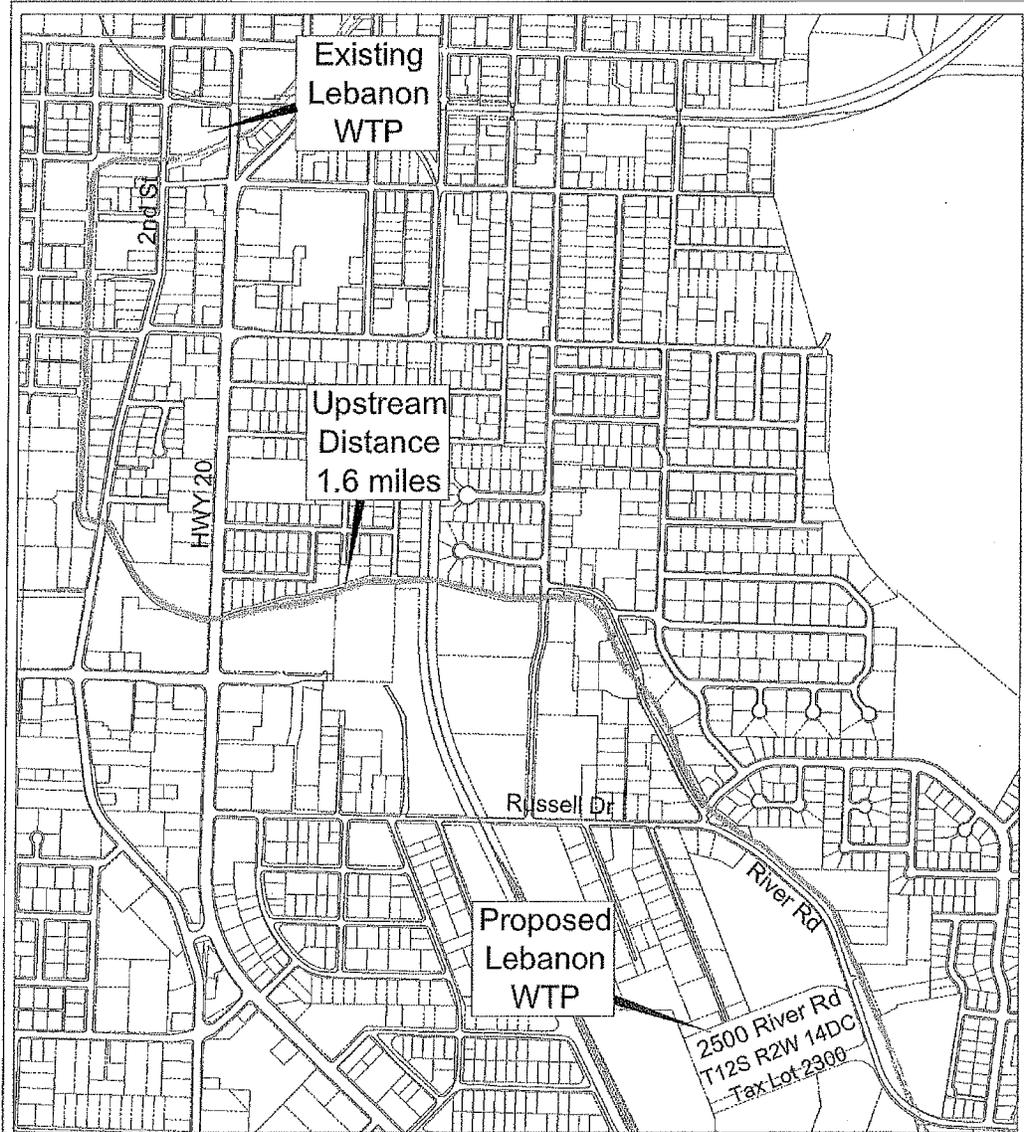
The Cities of Albany and Lebanon have used the Santiam-Albany Canal (Canal) as a source of drinking water for over 100 years. As described in Albany's Water Facility Plan:

A canal between Albany and the South Santiam River was first discussed in 1858 when the Legislative Assembly of the Territory of Oregon approved an act to incorporate the Albany Canal and Manufacturing Company. A canal was believed to be a viable way of transporting goods between the Cities of Lebanon and Albany. Construction of a 12-mile long Santiam-Albany Canal routing South Santiam River water (RM 18.1) through the Cities of Lebanon and Albany began in 1872. Once construction was completed, logs and grain were transported downstream to Albany industries, but upstream transportation was nearly impossible due to unexpectedly strong current. Commerce being a failure, Canal water was sold to turn water wheels of manufacturing plants and was being used by Albany as a drinking water source by 1880.

In 1891-1892 a six-mile Santiam-Lebanon Canal was constructed to provide the City of Lebanon with drinking water. The Canal traveled from the South Santiam River (RM 20.9), north through Lebanon, and connected with the Santiam-Albany Canal. Connection with the Santiam-Albany Canal became a necessity in 1921 when a major flood destroyed the timber diversion dam for the Albany Canal. From that point on the upper reaches of the Santiam-Albany Canal were abandoned and the head works for the Santiam-Lebanon Canal became the sole diversion for the canal system. In 1923 the Canals came under one ownership and functioned like the Canal as we know it today. Today, the Canals are referred to solely as the Santiam-Albany Canal (Canal).

In 1984 the City of Albany purchased the Albany water system from Pacific Power and Light and secured title to the 18-mile long Canal as part of the purchase. The purchase included the diversion dam, head works, and various control structures. Following this change in ownership, an intergovernmental agreement (IGA) between the Cities of Lebanon and Albany was developed to outline responsibilities and cost-sharing for operation of the Canal.

Attachment 2
Lebanon Water Treatment Plant Map



ATTACHMENT 2



Attachment 3
Albany-Lebanon Intergovernmental Agreement

INTERGOVERNMENTAL AGREEMENT FOR OPERATION OF ALBANY-SANTIAM CANAL

This Agreement dated this 23rd day of April, 1986, between the City of Albany (hereinafter called Albany) and the City of Lebanon (hereinafter called Lebanon) both municipal corporations of the State of Oregon.

WHEREAS, ORS 190.003-190.110 authorizes units of local government to jointly undertake functions or activities which the individual units of government have authority to perform separately; and

WHEREAS, the parties have purchased from Pacific Power and Light Company their respective public water supply systems which are jointly served by a raw water supply canal known as the Albany-Santiam Canal extending from the South Santiam River south of Lebanon to the Calapooia River west of Albany including a dam, headworks, various control devices, and bridges; and

WHEREAS, Albany has received title to the canal, dam, headworks, various control devices, and bridges and desires to continue to provide a raw water supply to Lebanon for domestic consumption at an equitable cost to Lebanon.

WHEREAS, the parties have agreed that revisions should be made in an Agreement dated December 12, 1984, which provided for maintenance of the canal.

NOW, THEREFORE, IT IS AGREED:

1. WATER SUPPLY

- a. Albany shall maintain the raw water supply canal and all its appurtenances in good and proper working condition to assure delivery of a supply of raw water to the Lebanon but not in excess of its legal rights to water from the South Santiam Canal.
- b. Albany shall not be liable for the failure to supply water to Lebanon as a result of any acts beyond its control such as floods, low stream flows, etc.
- c. Albany shall not be liable for the quality of the raw water delivered to Lebanon nor any cost associated with treating the water delivered.
- d. Lebanon shall be responsible for maintaining and operating its treatment plant and raw water intake structure.
- e. If emergency conditions require an adjustment of gates, weirs, and other control devices to protect public health and safety or portions of the canal from damage, Lebanon may make the required adjustment but within two hours shall notify personnel at the Albany treatment plant of the actions taken and the reasons therefor.

CANAL AGREEMENT
Dated: 4/9/86

2. FINANCES

- a. In March each year, Albany shall advise Lebanon of the estimated annual cost for operating, maintaining, and planning for and improving the canal (hereinafter called "cost of operating the canal") and its appurtenances.

Prior to March 1st, each City Council shall appoint a 3-member committee who with the respective city managers shall meet to review the proposed budget, other matters concerning the maintenance or improvement of the canal, or revisions to this agreement. Lebanon shall submit further comments and any objections to Albany prior to May 1st.

- b. Should the parties fail to agree upon operation, maintenance, improvement plans, or the allocation of costs before June 1st, they shall select a qualified engineer, financial specialist, or other party who shall determine the matters under dispute. The parties shall equally share the cost of dispute resolution.
- c. Unless otherwise agreed, the parties shall share in the net cost of operation, maintenance, and improvement of the canal and its appurtenances as follows: Albany 67%; Lebanon 33%. "Net cost" is determined by subtracting revenue received by Albany from any other parties using the canal or water therefrom.
- d. Lebanon shall pay one twelfth of its share of the estimated costs by the last day of each month commencing in July.
- e. Albany shall not increase its annual expenditures for operation of the canal by more than 10% of the agreed upon amount without first consulting with Lebanon and obtaining agreement thereto or submitting the proposed additional expenditures to a third party as provided in Paragraph 3, EXCEPT nothing herein shall delay or prevent the incurring of expenses of an emergency nature necessary to maintain the flow and utility of the canal.
- f. Within 30 days after receipt of the audit for the fiscal year, Albany shall recalculate the proration of costs based upon the volume of water pumped by both cities from their treatment plants and actual costs incurred in the operation of the canal and shall within 30 days reimburse Lebanon for any overpayment or shall submit a bill for any additional costs which shall be paid within 30 days.
- g. Payments due shall be delinquent if not paid within 30 days of the date of the invoice specified and shall thereafter bear interest at 7%.

3. CAPITAL RESERVE

- a. A capital reserve fund shall be established by Albany for the purpose of funding any extraordinary repair or replacement costs such as rebuilding the dam, replacing the headworks, or replacing a bridge. Interest earned shall be retained in the fund. Monies deposited in the fund shall remain the property of the contributing party.
- b. Monthly, each party shall deposit one-twelfth of its pro rata share of the fund into the account as follows:

<u>Year</u>	<u>Albany</u>	<u>Lebanon</u>	<u>Accumulated Total</u>
1985	\$12,000	\$6,000	\$ 18,000
1986	12,000	6,000	36,000
1987	12,000	6,000	54,000
1988	12,000	6,000	72,000
1989	16,000	8,000	96,000
1990	16,000	8,000	120,000

- c. Prior to expending money from the fund, the parties shall confer to determine if the proposed expenditure should be from the fund or from operating and maintenance funds.
- d. Whenever funds are withdrawn, the parties shall again make monthly deposits until the amount on deposit totals \$120,000 or such other amount as mutually agreed.
- e. In 1987, the parties shall evaluate this section and determine if payments to the fund should continue beyond the schedule in Paragraph b.

4. DURATION AND TERMINATION

- a. This Agreement shall continue for a term of five years from the date hereof, but on December 31st each year beginning December 31, 1985, shall automatically renew for an additional five-year period.
- b. It may be terminated by either party upon three years' written notice to the City Recorder of either party delivered prior to December 31st.

CITY OF ALBANY:

William B. Baras
[Signature]

CITY OF LEBANON:

Robert G. Smith
 Mayor
Allen L. Henderson
 City Administrator

CANAL AGREEMENT
 Dated: 4/9/86

Attachment 4

Areas of Shared Interests in the Santiam-Albany Canal between Albany and Lebanon

The following paragraphs identify general categories of shared interests and responsibilities between the Cities of Albany and Lebanon, as identified by Albany staff. A list of typical operation and maintenance tasks that occur under these categories is provided at the end.

A. The Canal as a source of water supply:

Both cities benefit from flows diverted from the South Santiam River by way of the diversion dam and intake facilities. Maintaining desired flow levels in the Canal for a variety of purposes requires operation, maintenance, continual monitoring, and periodic improvements to the Canal and associated structures to meet safety and environmental requirements and to preserve the life and capacity of the facilities. The diversion dam, intake facilities, fish screens, flow control structures, and canal capacity are all critical elements related to water supply.

The City of Albany's Water Facility Plan recognizes the Vine Street Water Treatment Plant on the Canal as an integral part of providing long-term water supply to Albany residents. Likewise, the value of the Canal as a water supply for Lebanon has been reaffirmed through recent planning activities for a new water treatment plant. Lebanon plans to serve the new plant through a new intake on the Canal in lieu of a new connection to the South Santiam River. By utilizing the Canal, Lebanon benefits from past capital investments that Albany has made in dam, fish passage, and screening/headgate facilities. While these benefits clearly existed prior to Lebanon's new water treatment plant project, they do result in significant time and cost savings for Lebanon's treatment plant project through avoidance of required regulatory approvals and construction of complex diversion/intake facilities on the South Santiam River.

Neither community can guarantee the desired Canal flows will be available 100 percent of the time. Emergencies, regulatory orders, equipment failures, natural disasters, drought, or other circumstances that require curtailment of diverted flows can impact the available water supply. Consequently, each community's water supply planning needs to identify alternate emergency supply strategies. Albany has accomplished this through construction of the Albany-Millersburg Water Treatment Plant that is supplied directly from the Santiam River. Lebanon's water planning activities should also identify an alternative emergency source of supply.

B. The Canal as a drainage facility:

Since the time Albany acquired ownership of the Canal, it has become increasingly evident that stormwater flows and resulting fluctuations in Canal flows, negatively impact water quality, as well as the capacity and structural integrity of the Canal bed/banks. Because of this, Albany has maintained its position that the Canal should not be used as a public drainage facility, and that stormwater inflows to the Canal should ultimately be eliminated. Unfortunately, however, use of the Canal for stormwater disposal has continued in the reaches upstream of Albany. The long-term effects of this have significantly reduced capacity due to erosion and sediment transport, and have increased wear and tear on the bed/banks, both of which have caused Albany to incur considerable costs to remediate.

In 1996, with the head gates closed, stormwater inflows alone led to significant flooding and property damage downstream of Lebanon. Soon after these events, Albany took steps to eliminate stormwater inflows to reduce future flooding potential. Albany repaired a broken stormwater pipe that crossed over the Canal and significantly reduced stormwater inflows in unincorporated portions of Linn County by repairing or replacing drainage pipes across the Canal and rerouting farm field drainage away from the Canal (disconnecting an estimated 680 acres). The City also sought cooperation from the City of Lebanon to pursue stormwater rerouting away from the Canal. However, it is Albany's understanding that rerouting stormwater away from the Canal in Lebanon was cost prohibitive. (No known public stormwater connections to the Canal exist within the City of Albany.)

Despite Albany's efforts on the lower reaches of the Canal, stormwater flows continue to have negative impacts. For example, even with the head gates closed, Albany experienced bank full flows along the Canal, with minor flooding, during the major storm event that occurred in January 2012. Given that Lebanon's stormwater discharges are on the upper reaches of the Canal, the resulting stormwater flows impact nearly the entire length of the Canal.

Albany has consistently objected to Lebanon's stormwater discharges to the Canal from both a water quality and quantity perspective. The Lebanon Storm Drainage Master Plan, completed in the late 1980s, reflects this concern, and includes an alternative plan for the primary drainage basin that discharges to the Canal. This option has not been implemented, and future stormwater flows to the Canal are projected by Lebanon to increase.

Currently, the Canal carries stormwater from one major drainage basin and many other properties adjacent to the Canal throughout Lebanon. During a 10-year storm event, Lebanon staff estimates the Basin 'L' alone discharges ~90 cubic feet per second of stormwater, almost one 1/3 of the Canal's targeted design capacity downstream of the existing Lebanon Flow Control Structure. But it is not just these large storm events that can negatively impact the Canal. The frequency of smaller storms or metered releases from stormwater detention facilities can also cause damage. Regardless of quantity, untreated urban runoff is an undesirable source of drinking water for the City of Albany.

Consideration needs to be given to the downstream impacts of Lebanon's stormwater flows all the way to the outfall, including: water quality, bed/bank conditions (erosion, sloughing, scouring), impacts to bridges and control structures, sediment and debris transport, and bank overtopping. Albany and Lebanon should work together to identify these impacts and implement strategies to reduce them appropriately on an interim basis while developing a long-term strategy for reducing Lebanon's reliance on the Canal for stormwater conveyance. This may require additional study to fully understand the hydrology and hydraulics of the Canal. A future reduction in stormwater impacts may result in lower operational costs shared by both communities.

C. *Enjoyment of the Canal as an amenity and potential impacts:*

With proper care and planning the Canal can be an amenity to both communities. The two cities should work together to identify operations, maintenance, safety, environmental, and other concerns associated with public access and enjoyment of the Canal, and implement appropriate measures to protect the Canal and the public. Constructing amenity-related

facilities such as paths, trails, or parks adjacent to the Canal also impacts Canal functions and should be guided by mutually agreeable practices and construction guidelines.

Adjacent property owners can impact the Canal and its functions in a variety of ways, and the maintenance of the Canal and its flows also can impact adjacent property owners. Litter and dumping, land and vegetation alterations, use or disposal of chemicals, development activities, and placement of obstructions are some of the activities that require ongoing monitoring, clean-up or maintenance activity, regulation, and communication/outreach to property owners. The two cities should develop common practices and communication strategies related to the Canal and take leadership roles in their respective jurisdictions.

D. Emergency management and hazard mitigation:

The two cities coordinate regularly regarding emergency action plans and responsibilities. The cities should build on this cooperation to identify response strategies that make best use of both cities' resources and personnel to protect properties and citizens in Lebanon and Albany, as well as water quality and other environmental attributes of the Canal. The two cities also should share responsibility for identifying and implementing mitigation measures related to Canal structures and embankments.

E. Equitable cost/responsibility sharing:

Albany and Lebanon recognize that the costs/responsibilities associated with ongoing operations, maintenance, public education/communications, and long-term preservation of the Canal, its capacity, and its associated structures should be shared equitably. That being said, there are financial limitations for both communities that must be considered. Canal investments must be balanced with other regulatory compliance, capital, and operations and maintenance needs within our different water systems. Developing a consistent, predictable, way of future cost/responsibility sharing is beneficial for both communities. It is staff's desire to create a simple, easy to implement, methodology.

Specific Maintenance Activities Performed Under These Categories

Note: The list provided below does not identify every maintenance activity that is, or will be, required to manage, operate, and maintain the 18-mile earthen Canal.

The operations and maintenance activities identified below are applicable to all five categories of shared interest/responsibility. A given activity may be more directly related to one category than another; however, the common themes between the categories create unavoidable overlapping benefits. For instance, a dredging project may be necessary for assuring adequate water supply, managing stormwater flows, preserving adjacent uses, and protecting life and property. Furthermore, the capacity created by dredging would be important to both communities and the costs associated with it should be shared equitably. Additionally, shared responsibility may also lie in the source of the sediment and the contaminants that attach to it.

Given that the Canal's primary purpose is to supply drinking water, it would be a common misconception to presume the City of Lebanon's interests/responsibilities only extend from the diversion dam to their water treatment plant or the downstream city limits or urban growth boundary. This misconception is the result of narrowly considering only the water supply function of the Canal. However, much like Albany, Lebanon's interests in, and impacts on, the

Canal extend for the entire 18-mile reach. From the diversion dam to Lebanon, Lebanon's interests and impacts primarily relate to water supply and emergency management. Through the city, Lebanon's interests expand to also include stormwater drainage and enjoyment of the Canal as an amenity. Downstream of Lebanon, Lebanon is not necessarily as interested in water supply and emergency management but does continue to have stormwater impacts that effect Albany and rural Linn County. As the owner of the Canal, and the ultimate downstream user, Albany's interests in all of the categories extend for the entire reach. Consequently, operations and maintenance activities along the entire Canal system benefit both communities to some degree.

Typical and predictable operations and maintenance activities include but are not limited to, in no particular order:

- Diversion dam management
 - e.g., Routine maintenance of weir crest gates; installation/removal/maintenance of boat barrier; periodic maintenance of fish ladders
- Flow management
 - e.g., adjust head gates, flow control structures, etc. Some are controlled automatically through Supervising Control and Data Acquisition (SCADA) others must be controlled manually.
- Reading, calibrating, and maintaining SCADA and other monitoring and control systems
 - e.g., United States Geographical Survey (USGS) gauging contracts; radio telemetry upkeep; keeping current control equipment (e.g. upgrade to Program Logic Control (PLC) at head gates)
- Dredging
 - e.g., Recent dredging between the Seventh Avenue and the railroad tracks upstream of Queen
- Channel repairs, rehabilitation, and reconstruction
 - e.g., bed, banks, embankments, and crib walls; and recent repairs in Lebanon (Meyer property, Cedar Street, Dale property)
- Vegetation management
 - e.g., brush clearing, hazard tree removal. Lebanon areas often have difficult access due to the high number of residential lots. Tree removal within Lebanon is usually contracted out because of the need for specialized equipment and expertise.
- Animal management
 - e.g., high number of burrowing animals typically need removal around the head gates and Cheadle Lake
- Litter and debris removal
- Management of crossings (bridges, utilities, etc.)
 - e.g., Permitting/design approval for private bridges and public infrastructure. These are predominantly located in Lebanon. Every above-water crossing is a potential debris dam.

- General inspections
- Communication and coordination
 - e.g., neighboring property owners, regulatory agencies, etc.
- Facility and flow control structures inspections and testing
 - e.g., general structural and safety inspections, velocity testing along fish screens for baffle adjustments
- Preventive and corrective maintenance and repair
 - e.g., repetitive loss of pull cable on brushes at the fish screen, Lebanon flow control structure tainter gate required replacement
- Equipment replacement
- Property maintenance
 - e.g., dam/fish screen/head gate facilities
- Regulatory compliance inspections and reporting
- Surveillance
- Safety assurance/Occupation Safety and Health Administration (OSHA) compliance
- Stormwater outfall maintenance (Lebanon reach)
- Bridge/culvert maintenance
- Managing water loss; (piping or seepage)
 - e.g., known and potential problem areas include: Cheadle Lake, Cedar Street, and the curve leading to the current Lebanon water treatment plant.
- Enforcement such as illicit connections, dumping, breaching, and encroachments
 - e.g., Albany staff responds to spills in Lebanon; reports of sheen; cross connections; cars into the Canal, etc.
- Water quality protection and testing; including known contaminated sites
 - e.g., Quarterly Canal water samples; Monitor DEQ results of monitoring at Lebanon dry cleaner site (current Rite Aid site) to make sure contaminants are not migrating towards Canal.
- Groundwater Monitoring
 - e.g., monitoring wells around Cedar Street embankment. In many instances there are approvals, permits, or studies that need to be completed prior to initiating a specific operation and maintenance activity. These activities can be time consuming and costly. They include, but are not limited to:
 - DSL/Corps permitting, inspections, and reporting
 - Coordination, inspections, and compliance with the State Historic Preservation Office (SHPO)
 - Land surveying
 - Legal research
 - Hydrologic and Hydraulic studies/modeling
 - Geotechnical investigations and studies
 - Stormwater permitting
 - Water quality testing and pollution prevention plans

- Safety evaluations
- Development and maintenance of flow rating curves
- Structural evaluations
- Flow management studies
- Emergency action plans and training exercises.
- In locations where the adjacent property is to be used as a public amenity (paths, parks, etc.) Identify standard construction and maintenance practices consistent with maintaining bank stability and properly functioning riparian areas.

Attachment 5

Background Discussion on Staff Recommendations Related to Questions Posed for Council Direction

This document provides detailed discussion related to the questions on which staff is seeking Council direction at the March 10, 2014, City Council Work Session. Issues surrounding each question are described in detail, as well as staff recommendations.

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?

The level of cost reimbursement Albany receives from Lebanon has a direct impact on Albany water rate payers. If Lebanon does not pay for its fair share of operating and capital costs, the work still must be performed, and Albany rate payers are left to make up the difference. Therefore, an equitable cost-sharing methodology and a guarantee that payments will be made are important.

The 1986 IGA between Albany and Lebanon (see *Attachment 3*) includes a cost-sharing methodology for operation, maintenance, and improvement of the Canal. The IGA-specified cost split had Albany pay 67 percent and Lebanon pay 33 percent. Presumably, this split was calculated based on 6 of the 18 miles of Canal extending from the point of diversion on the South Santiam River through the City of Lebanon. This 2/3, 1/3 split is also consistent historically with how the Canal was originally constructed and initially operated.

Although it is not feasible to produce a complete accounting history of Canal billings, receipts, and capital investments over the 27 years since the IGA was signed, it is generally believed that Lebanon fulfilled its payment obligations until July of 2007. Sometime in 2007-2008, Lebanon staff objected to the Canal-related costs they were being assessed. The Public Works Directors for Albany and Lebanon at that time verbally agreed to temporarily reduce Lebanon's financial contributions to the Canal until the two Councils were brought together to review the cost-sharing methodology and negotiate a new agreement. The Directors settled on a temporarily fixed annual payment of \$77,000 (\$69,000 for Canal operation and maintenance plus \$8,000 for capital investments). This amounted to a \$58,000 reduction from the IGA-specified methodology for the fiscal year (FY) 2007-2008 operating budget year.

For some unknown reason following Lebanon's objection, it appears Albany did not bill Lebanon between July 2007 and March 2009, at which time a back-bill was sent. Albany has been billing Lebanon according to the verbal agreement between the two Directors regularly since. However, Lebanon has made only periodic payments. Lebanon's current outstanding balance from unpaid past billings between April 2009 and June 2013 is \$323,900 including seven percent interest as provided for in the 1986 IGA. Lebanon has stayed current on new billings so far this fiscal year.

It is important to note that the lost revenues from Lebanon's participation in Canal operation costs have been significantly greater than the unpaid bills at the temporarily reduced fixed rate resulting from the verbal agreements between the two Directors. The table below provides a picture of the cost implications from fiscal year 2012-2013's non-hydro operation and maintenance expenses. The table shows cost implications based on a 1/3, 2/3 cost sharing methodology as provided for in the IGA.

***Estimated operation and maintenance (O&M) equitable cost sharing
(2012-13 non-hydro operating costs)***

Annual Operating Costs	Albany's Share (2/3)	Lebanon's Share (1/3)	Modified Lebanon Billing (Actual)
\$600,000	\$400,000	\$200,000	\$69,000

According to the IGA methodology, Lebanon's fair share would have been \$200,000 for fiscal year 2012-13. With a \$69,000 payment for operating costs, Albany ratepayers made up the \$131,000 in revenue required, which equates to over one percent of Albany water ratepayer's bills. This funding gap continues to increase as operating costs rise and Lebanon's billed amount remains fixed (based on the verbal agreement.)

Over the last several years, Albany staff has attempted to initiate discussions with Lebanon staff regarding their past due balance and the need to negotiate a new IGA as envisioned by the previous Public Works Directors. Unfortunately, discussions between the two communities have been unfruitful. However, Lebanon staff has recently expressed a willingness to propose payment of their past due balance in the FY 2014-15 budget for payment in July 2014. Therefore, staff seeks concurrence from Council that past bills should be paid prior to granting Lebanon approvals for construction of a new intake. As discussed above, Lebanon's past due balance totals \$323,900 with seven percent interest as provided for in the 1986 agreement (\$249,500 without interest).

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?

In August 2013, Lebanon staff notified Albany of their intention to construct a new water intake on the Canal, and requested information regarding approvals that would be required. Albany informed Lebanon that, among other requirements, a new IGA must be executed prior to issuance of a permit for a new connection to the Canal. Albany staff developed a draft discussion paper identifying areas of shared interests in an effort to reach agreement on "big picture" concepts and establish the building blocks of a new IGA to propose to our respective Councils. (See *Attachment 4*, which describes shared interests as identified by Albany staff). In late 2013, Albany and Lebanon staff began discussing these issues. Lebanon staff has indicated they do not agree with the areas of shared interest and that the perspectives of the two staffs are too far apart to reach agreement on that document.

Lebanon staff has requested the issue of a new IGA be addressed separately from review and approvals needed to construct their new intake. They would like to fast track the intake review and let the IGA discussion follow on its own timeline. This path would create unnecessary risk for Albany. Based on Lebanon's \$323,900 past due balance and the modest current annual billing (based on the 2007-2008 verbal agreement) Albany rate payers have been subsidizing Lebanon's responsibility for the Canal for several years. If Lebanon's request to separate the issues was granted, Lebanon would have little incentive to negotiate a new IGA that will be acceptable to Albany.

The new intake will serve Lebanon's current water needs as well as provide additional capacity to serve Lebanon with water for decades to come and it is critical the two cities have a clear understanding of each community's roles and responsibilities on the Canal prior to moving forward. A new IGA between Albany and Lebanon is necessary to formalize current and future expectations

and equitably share costs and responsibilities. Therefore, Albany staff recommends a permit for Lebanon's new intake be withheld until a new IGA is finalized.

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?

Substantial infrastructure has been rebuilt or newly constructed by Albany since it purchased the Canal. When the 1986 IGA was signed, the types of regulatory requirements for fish and water quality protection measures required today were not contemplated, and the specified payment in consideration of capital improvements did not begin to address Lebanon's share of costs. Nevertheless, the City of Albany was required to construct major improvements to the dam, fish passage facilities, the intake structures, and flow control structures along the Canal.

The two communities had discussed for many years the need to jointly pursue dam, fish screen, and head gate improvements. However, Lebanon did not participate in the \$6 million investment Albany made in these facilities. At the time the improvements were made, Lebanon's facilities were a historic part of the Canal's water supply system, and Albany did not have a vehicle in place for requiring Lebanon to pay a portion of the costs of upgrading the diversion facilities.

Regardless of the timing and trigger for the new diversion and intake facilities, Lebanon has benefited from, and will continue to need the diversion and intake facilities Albany constructed. According to Lebanon's 2008 Water Capital Plan, they are, in part, pursuing a new intake on the Canal to avoid the uncertainty and significant costs associated with constructing a new diversion with required fish and other environmental protection measures on the South Santiam River. These measures are required for Lebanon's new intake—they are simply being provided by Albany. It is also important to note these facilities will age and will require additional capital investment over time. In considering Lebanon's request for a new intake, it is appropriate for Albany to consider assessing Lebanon for a fair share of the capital costs of providing the facilities necessary to deliver source water to the intake, otherwise, Albany water utility customers bear the entire burden of the capital costs of providing the water to both communities in perpetuity.

Albany and Lebanon staff have discussed the possibility that some form of capital cost reimbursement or "connection fee" would be required as a condition of permitting the new intake facility. Lebanon staff believe that a "connection fee" is inappropriate because they already have a connection (*of lesser capacity and at a different location*) and the diversion improvements were only required because of Albany's hydropower project. However, this is not the case. On the contrary, only the timing of the improvements was driven by Albany's hydropower project, and they would have been required by various regulatory agencies regardless.

Oregon laws require diversions be screened to protect threatened or endangered fish populations (See ORS 498.306, which authorizes the state to require screening to protect fish populations, and OAR 635-412-0020, which authorizes the state to require fish passage improvements as part of any project, construction or maintenance, for/on an artificial obstruction across any waters of the state that are inhabited, by native migratory fish). When the State or National Marine Fisheries would have required the improvements independent of a proposed project is unknown. Regardless, many routine activities, not related to the hydropower license, could have triggered the required improvements. These activities include, but are not necessarily limited to:

- City initiated dam maintenance project or improvement project
- An Oregon Water Resources Department dam safety inspection resulting in required maintenance activities
- Any requests by either community to expand the use of water authorized under a water right permit (Lebanon appears to currently be in this process)
- Other state/federal permits or licenses pursued that involve the Canal (such as those required for Lebanon's new intake proposed on the Canal)

Staff recommends Albany require some form of reimbursement for the capital investments in diversion improvements. Lebanon's water supply will be provided for many years because Albany constructed new diversion and intake facilities, and the \$6 million that was spent on them almost ten years ago is substantially less than Lebanon would have to pay now to construct facilities to meet their needs in 2015. Staff recommends a capital reimbursement be paid 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?

Given Albany's responsibilities and obligations related to management of the Canal and associated facilities, it is important to consider the question of who should own and maintain any flow control and intake structures for Lebanon's new WTP. Currently, all of the inline structures along the Canal are owned by the City of Albany. Even the existing Lebanon flow control structure that used to house Lebanon's hydropower turbine and that serves Lebanon's current raw water intake is owned by Albany.

For a period of time, there was one in-line facility owned and operated by the City of Lebanon, the Crown Zellerbach (CZ) Gates. These gates were owned by Albany but transferred to Lebanon in the late 1980s at Lebanon's request. Lebanon did not maintain the CZ gates in good working order, and in March 2012 Lebanon staff informed Albany that they were going to essentially abandon them in place and operation and maintenance was Albany's responsibility. So, Albany staff is once again managing their operation, but they are now in poor condition and will require significant attention in the near future to avoid failures that impact adjacent Lebanon residents and properties. In the end, transferring ownership and operation responsibilities to Lebanon had a less-than-desirable outcome.

Another consideration related to ownership of the new intake is that the Federal Energy Regulatory Commission (FERC) has certain authorities and can obligate Albany to comply with a whole variety of regulations pertaining to the Canal. If Albany faces FERC requirements with which it cannot comply due to lack of ownership or control of facilities, compliance could be problematic. For example, FERC will need to not only approve the design of Lebanon's intake but also authorize us to grant the approval for their new connection. Under our license we will also be required to supervise, control the use of, and ensure compliance for Lebanon's new intake:

The licensee (Albany) shall also have continuing responsibility to supervise and control the use of occupancies for which it grants permission, and to monitor the use of, and ensure compliance with the covenants of the instrument of conveyance for, any interests that it has conveyed.

Furthermore, we anticipate FERC will place additional ongoing responsibilities on Albany for Lebanon's new intake. At a minimum, we anticipate requirements they place on smaller intakes such as:

The licensee (Albany) shall also ensure, to the satisfaction of the Commission's authorized representative, that the use and occupancies for which it grants permission are maintained in good repair and comply with applicable state and local and safety requirements.

Consequently, from a FERC perspective, Albany will ultimately be responsible for the ongoing condition, performance, regulatory compliance, and overall impact to the Canal for Lebanon's new intake.

In order to better control Canal flows, avoid the potential for enforcement actions against Lebanon for any acts of non-compliance, and to avoid a future situation as exists for the CZ Gates, staff recommends that Lebanon's new intake facility on the Canal be owned by the City of Albany.

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.

Times have changed significantly since 1986 when the original IGA for the Canal was signed. In 1986 both communities were just beginning to operate the Canal and their own water systems. The City of Albany has gained a lot of experience having now owned, operated, and managed the canal for the last 30 years. Therefore, there is a much greater understanding of the nature and scope of issues that need to be addressed in the IGA and associated agreements. The operation and preservation of the Canal and its facilities for our communities has become more complex. Although not comprehensive, the list below provides an indication of the diversity of issues staff has identified that need to be addressed.

- *An O&M cost-sharing methodology should be equitable to Albany and Lebanon ratepayers.* Albany is responsible for ongoing Canal O&M activities. **Attachment 4** provides examples of typical activities required to meet both communities' needs. A recent review of Albany's Canal operating costs reflects that the 2/3 – 1/3 split specified in the 1986 IGA may not adequately cover operating costs experienced in the Lebanon reaches of the Canal. For example, staff time, vehicle and equipment use, fuel costs, animal trapping costs, and vegetation management may warrant an increase in Lebanon's proportional split. In consideration of the unanticipated increase in expense, Albany may wish to provide a "ramping up" of payments over time.
- *Contributions for future capital improvements and studies should be proportional to each community's need for or benefit from the projects.* The two communities need to determine how to jointly fund major capital project and planning efforts/studies for the Canal. The 1986 IGA relied on annual contributions to build a reserve for capital projects, yet these have proven inadequate. As examples, Albany was required to make substantial improvements at the dam and intake facilities to meet fish and other environmental regulations. Albany also fully funded rehabilitation of the Lebanon Flow Control Structures to benefit Lebanon's WTP intake. These facilities clearly benefited Lebanon; however, the IGA did not include a vehicle for addressing

unanticipated capital needs. Several options can be considered, ranging from evaluating and negotiating each project individually to setting a fixed capital charge that is part of the annual fee structure. Additionally, the IGA should address how to fund and implement emergency projects that fall outside the typical, planned, capital projects.

- *Downstream impacts of stormwater discharges to the Canal in Lebanon should be addressed.* A detailed discussion of Lebanon's use of the Canal as a drainage facility is included in **Attachment 4**. Albany does not discharge stormwater to the Canal, and has eliminated a significant amount of stormwater inflow to the Canal in the rural Linn County area. Albany has not succeeded in its efforts to reduce stormwater discharges to the Canal in Lebanon, which impact downstream conditions in the Canal.

Consideration needs to be given to the downstream impacts of Lebanon's stormwater flows, including: water quality; bed/bank conditions (i.e., erosion, sloughing, scouring), impacts to bridges and control structures; sediment and debris transport; and bank overtopping. Albany and Lebanon should work together to identify these impacts and implement appropriate measures to mitigate them. Ultimately, Lebanon's share of operational and capital costs should reflect its relationship to the entire Canal.

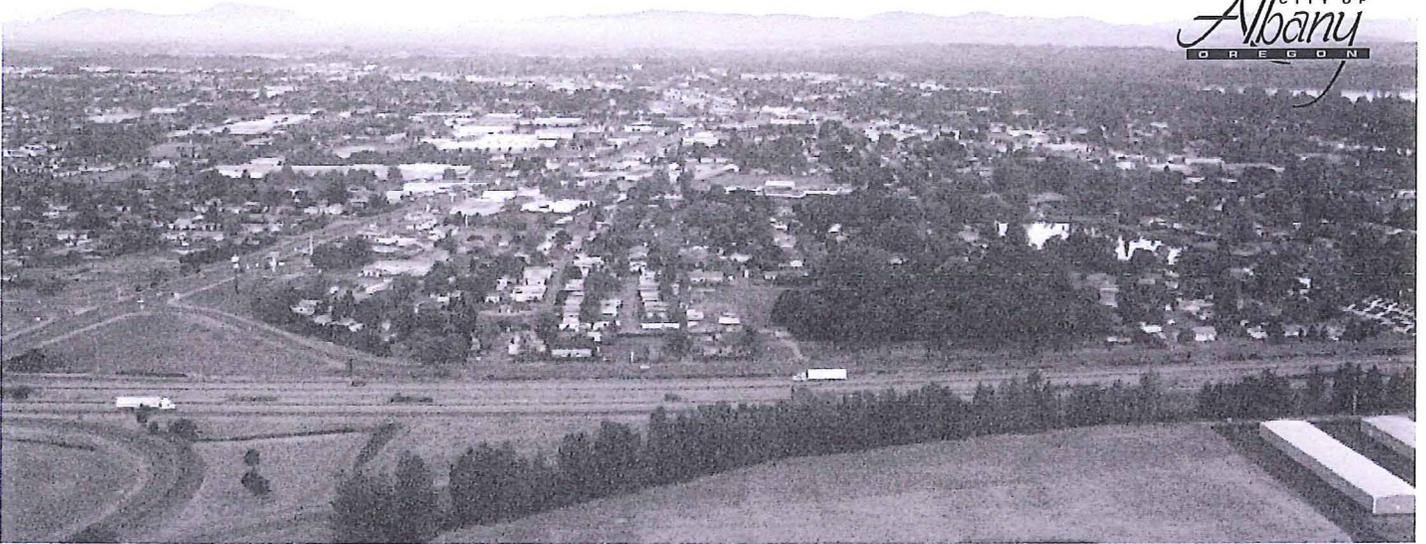
- *Management of impacts to the Canal and facilities from adjacent land uses, new developments, and construction projects.* Activities that occur on lands adjacent to the Canal can negatively impact the Canal and result in increased operational costs. Examples include: Dumping of yard debris, garbage, and pollutants; construction practices that result in erosion, sedimentation, or deterioration of the Canal or its structures; and new developments that result in increased drainage, pollution, access limitations, etc.

In Albany, the City has jurisdiction to regulate land uses, construction, and other activities and has the ability to enforce laws that protect the Canal, its water, and adjacent properties. In fact, under Albany's FERC license, the City is required to regulate activities and developments within the Canal right-of-way and easements. In Lebanon, this requirement can be problematic because Albany has the responsibility to operate and protect the Canal and facilities, yet it has no jurisdictional authority to implement or enforce laws or codes. Also, it is more cost-effective for Lebanon staff to regulate these activities and mitigate pollution incidents or other potentially detrimental conditions than it is for City of Albany staff to travel to the area and handle problems.

Staff recommends the IGA (or an operation and maintenance agreement) include provisions for pollution prevention, regulation of development activity, and enforcement of nuisance ordinances. Albany and Lebanon staffs should work together to identify the most cost-effective manner to provide this level of oversight in order to reduce the overall annual cost to both communities for operating the Canal.

- *The ability to resolve emergent issues over time that could otherwise impact Albany's costs and liabilities without its explicit consent should be addressed.* From time to time, new issues may emerge that cannot be anticipated in an IGA. A new IGA should establish that neither City will take unilateral actions that cause, or potentially could cause, increased cost obligations, liabilities, or operational constraints on the other City. Albany has recently identified the following examples of issues that could fall in this category.
 - Currently, no recreational facilities are provided along the Canal. If either community were to add paths or other Canal related recreational amenities, provisions will need to be made for recreational evaluations and reporting to FERC. Increased costs related to littering, trail maintenance, and public safety also would need to be addressed. The City of Lebanon has applied for a grant to construct a path along a portion of the Canal. Should Lebanon receive the grant, Albany expects these issues would be resolved in a manner that does not increase City of Albany costs.
 - New regulations placed on Lebanon by way of its new permitted water rights must be considered relative to Albany's responsibility to manage diversion flows. Albany was not notified or invited to comment on the City of Lebanon's permit extension application, and the extension was granted by the Oregon Water Resources Department with flow regulation requirements. If Lebanon moves forward to develop water supply under this permit, Albany would need the ability to fully understand potential constraints on diversion flows and operational requirements.
 - Lebanon's regulation of flows in Cheadle Lake, and their maintenance of the site and drainage/overflow facilities have been identified as a potential concern for bank failures and downstream overflows from the Canal. Albany should be consulted in developing operational plans, maintenance activities, and capital improvements at the site to protect the Canal from potential impacts that could result in Canal failures.

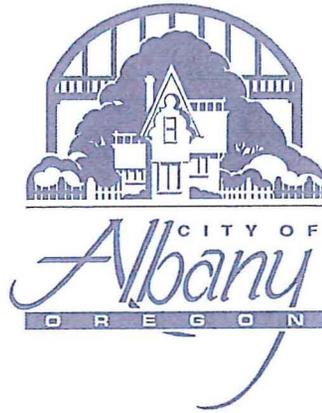
Staff recommends the IGA include a provision ensuring Albany's ability to be consulted on matters that could result in impacts to the Canal or Canal operations, and that an approval or resolution process be established.



CITY OF ALBANY STRATEGIC PLAN

FY2014 THROUGH **FY2018**

PROPOSED 1/31/2014



OUR MISSION

"Providing quality public services
for a better Albany community."

OUR VISION

"A vital and diverse community that promotes a high
quality of life, great neighborhoods, balanced economic
growth, and quality public services."

OUR VALUES

The City of Albany's Strategic Plan is guided by three fundamental elements: our mission, our vision, and our core values. Our Mission Statement is based on the principles of high quality and continuous improvement. Our Vision Statement presents a compelling future toward which our Strategic Plan is directed. Both our mission and our vision are founded on the following basic values that guide all of our actions and that reflect what we expect from our employees and our elected officials:

Transparent, Open, and Honest Government. This value reflects our first and most important responsibility. Our competence is measured and, in fact, reinforced through active engagement of those we serve. We maintain an organizational reputation for openness, honesty, and integrity.

Dedication to Service. Our primary duty is to the people we serve. We are accessible, responsive, consistent, and understanding. We provide assistance beyond our customers' expectations, and we find effective solutions to problems that they bring to our attention.

Fiscal Responsibility. Proper use of public resources is a trust which we continually guard. In our management of this trust, we must avoid even the appearance of impropriety. In our management of public funds, we constantly strive for the greatest possible efficiency and effectiveness.

Personal Honesty and Integrity. Each of us demonstrates the highest standards of personal integrity and honesty in our public activities to inspire confidence and trust in our government.

Excellence. We continually pursue excellence by being creative, professional, taking risks, showing initiative, and being committed to our community and team. In this pursuit, we support continuing education and training for all team members.

Teamwork. We are a team that emphasizes high levels of trust and cooperation and a commitment to excellent communications within the organization. We encourage employees to exercise independent judgment in meeting customer needs through professional behavior that is consistent with our values.

A Humane and Diverse Organization. We are a humane organization that honors diversity and protects individual rights. Open communication, respect for others, compassion, and a sense of humor contribute to our positive work environment. We make it possible for every employee to achieve his or her full potential. We value the cultural and social diversity that is reflected in our community, and we welcome the changes and new perspectives that this diversity brings to us. We protect those individuals whose basic rights are placed in jeopardy.

Why Do Strategic Planning?

If our Mission and Vision Statements are to have any meaning, they must be accompanied by deliberate planning efforts to move the organization and the community toward a desired future. This requires clearly defined goals, proactive objectives, committed leadership, and effective management. Above all, it requires managing the forces of change. Those forces include community demographics, state and federal mandates, fiscal constraints, economic conditions, emerging technologies, and many other influences on our service delivery efforts. High performing organizations are those that learn to anticipate and adapt to change by creating value for those we serve, and motivation and meaning for those who serve them. The best tool for accomplishing these objectives is strategic planning.

STRATEGIC PLAN THEMES

Our Strategic Plan has four primary themes that reflect our Mission and Vision Statements: Great Neighborhoods, a Safe City, a Healthy Economy, and an Effective Government. Specific goals, objectives, and actions move the organization toward our vision of the future.

Each theme is followed by the City's primary goals in that subject area for the foreseeable future. The goals should remain constant over time and should only be revised to reflect significant community changes or unanticipated events. A list of measurable objectives with benchmarks helps us track progress toward the goals. Objectives are generally identified to cover the five-year planning period from the date they are adopted or revised. Actions are the steps needed to meet the objective. Many more strategies and actions will be developed at the department and division level to align the entire organization with the goals and objectives.

This plan is intended as a work in progress. While the mission, vision, values, and goals should remain constant, the objectives and actions will need periodic review and refinement. We will track progress through regular reporting on the measures, and they will be incorporated into department, organization, and community publications. The annual Budget and Capital Improvement Program will serve as reporting and implementing policy documents, identifying relationships with the Strategic Plan. The Comprehensive Plan, Transportation System Plan, Water Master Plan, Sewer Master Plan, Parks Master Plan, Hazard Mitigation Plan, Urban Forestry Management Plan, and related planning documents also support this Strategic Plan.

I. GREAT NEIGHBORHOODS

Goals:

- Goal 1: Create and sustain a city of diverse neighborhoods where residents feel good about where they live.
- Goal 2: Provide an efficient transportation system with safe streets and alternative modes of transportation.
- Goal 3: Provide effective stewardship of Albany's significant natural resources.
- Goal 4: Provide diverse recreational, educational, and cultural opportunities that enrich the lives of our citizens.

Great Neighborhoods Objectives:

Goal 1: Create and sustain a city of diverse neighborhoods where residents feel good about where they live.

Objective 1: Maintain the value and attraction of Albany's historic assets and seek federal funds and other sources. [Community Development]

Actions: Apply for State Historic Preservation Office grants. Make rehabilitation loans and track completions.

Objective 2: Enforce City ordinances when properties are neglected or abandoned to prevent erosion of property values and quality of life. [City Manager's Office]

Actions: Reduce unresolved cases.

Objective 3: Assure that the Albany Development Code remains updated and responsive to changing conditions. [Community Development]

Actions: Provide reviews and updates at least annually.

OBJECTIVE	MEASURE	Completed FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
1	Applications for State Historic Preservation Office grants.		1		1		
1	Number of Albany grants made and historic houses improved through state grant funds.	10	4	4	4	4	
2	Reduce unresolved cases by 10% in Fiscal Year 2015.			10% reduction			
3	Annual Development Code updates.	1	1	1	1	1	

I. GREAT NEIGHBORHOODS (CONTINUED)

Goal 2: Provide an efficient transportation system with safe streets and alternative modes of transportation.

Objective 4: Ensure streets, sidewalks, and public transportation provide an accessible means of travel for the disabled and the community as a whole. [Community Development, Public Works]

Actions: Develop a plan and prioritization system for making accessibility improvements when funding is identified and available (ADA Transition Plan).



Curb installation for the Oak Street construction project.

Objective 5: Utilize available street funding to maintain collector and arterial streets in satisfactory or better condition and address local street needs as funding allows. [Public Works]

Actions: Measure, monitor, and report street condition. Identify and prioritize street condition improvement projects. Implement the repair and preventative street maintenance projects to preserve and restore City streets with the annual Street Maintenance budget. Plan for street rehabilitation and reconstruction capital projects with the annual five-year Capital Improvement Program and implement capital projects with the annual Street Capital budget.

Objective 6: Work as a cooperative partner of the Albany Metropolitan Planning Organization (MPO) for the funding of street and transit improvements. [Community Development, Public Works]

Actions: Work with the other stakeholder organizations to develop a long-range funding plan for use of STP funding for the improvement of City of Albany streets. Work with the MPO to maximize the effective use of transit funding for the City and the region.

Objective 7: By the end of 2017, increase the number of transit system riders by ten percent over the FY2012/2013 ridership. [Public Works]

Actions: Measure and monitor the number of rides provided. Identify opportunities to modify and maximize routes, increase operating revenue and to improve transit level of service. Identify and implement route improvements to serve more citizens, as funding allows.

OBJECTIVE	MEASURE	Completed FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
4	Accessibility Transition Plan completed.			Complete			
5	Overall percentage of arterial and collector streets in satisfactory or better condition.						
	Current data by classification:						
	Arterial Collector	81% 66%	81% 67%	82% 68%	82% 69%	82% 70%	82% 70%
6	Establish Albany MPO.	Complete					
6	Establish long-range plan for STP funding.		Complete				
7	Increase transit system ridership to:						
	Albany Transit System	88,000	90,000	92,000	94,000	96,000	97,000
	Linn-Benton Loop Paratransit	136,000 18,000	138,000 18,700	141,000 19,400	143,000 20,100	145,000 20,800	146,500 21,000

I. GREAT NEIGHBORHOODS (CONTINUED)

Goal 3: Provide effective stewardship of Albany's significant natural resources.

Objective 8: Continue to coordinate with the Calapooia Watershed Council on watershed improvement programs and projects. [Community Development, Parks & Recreation, Public Works]

Actions: Implement Goal 5 protections. Work with community groups to protect and enhance resources.

OBJECTIVE	MEASURE	Completed FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
8	Actively participate in Calapooia Watershed Council planning meetings.		Annually	Annually	Annually	Annually	Annually



I. GREAT NEIGHBORHOODS (CONTINUED)

Goal 4: Provide diverse recreational, educational, and cultural opportunities that enrich the lives of our citizens.

Objective 9: Maintain total City-managed park land inventory at an annual average of 15.0 acres per 1,000 residents. [Parks & Recreation]

Actions: Acquire by purchase, lease, or other means enough park land to achieve and keep pace with Albany's growth and to meet the City's adopted total park acreage standards.

***Objective 10:** Sustain total developed parks and recreation lands at 11.0 acres per 1,000 residents. [Parks & Recreation]

Actions: Maintain enough developed park land to keep pace with Albany's growth and to meet the City's adopted developed park acreage standards.

Objective 11: By the end of 2017, increase library visits by ten percent. [Library]

Actions: Add five new programs across all service areas. Increase the percentage of operating dollars spent on collections to Oregon state median (ten percent).



Reading Girl at Main Library.

OBJECTIVE	MEASURE	Completed FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
9	Average total acres of park land per 1,000 residents.	*17.5	17.4	17.3	17.1	17.0	17.0
10	Average acres of developed parks and recreation land per 1,000 residents.	11.1	11.0	10.9	10.8	10.7	10.7
11	Annual number of library visits.	363,700	371,000	378,300	386,000	393,000	400,000
11	Number of discrete Library programs across all service areas.	14	19	19	20	21	22
11	Percentage of Library operating expenditures spent on collections.	8%	8%	9%	9%	10%	10%

**Includes gift of 94 acres to City in Oak Creek Greenbelt.*

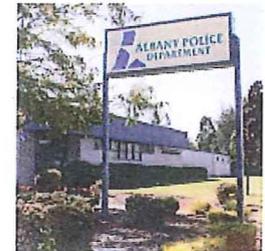
II. A SAFE CITY

Goals:

- Goal 1: Ensure a safe community by protecting people and property.
- Goal 2: Provide safe, sufficient, and reliable drinking water, sewage disposal, and drainage systems.

Safe City Objectives:

Goal 1: Ensure a safe community by protecting people and property.



Objective 12: Acquire property for new downtown fire station. [Fire]

Actions: Explore options for property acquisition and be prepared to purchase when suitable property is identified.

Objective 13: By the end of FY2015, complete the process to place a bond measure on the ballot for Albany voters to approve the funds necessary to build replacement public safety facilities for Police Department (new headquarters) and Fire Department (Station 11 replacement). [Fire, Police]

Actions: Achieve this objective by completing the sequential process for placing a bond measure on the May 2015 ballot to gain voter approval to build new public safety facilities.

Objective 14: Participate in the FEMA National Flood Insurance Program and maintain the city's Community Rating System (CRS) rating. [Community Development]

Actions: Form and maintain a cross-department team to continuously improve the City's floodplain management. Participate in FEMA's CRS Program.

Objective 15: Update the flood mapping in North Albany to match the actual conditions determined by recent evaluations. [Community Development, Public Works]

Actions: Complete the process with FEMA to have FEMA accept and map the flood way and flood plain changes identified in the recently completed detailed flood study of North Albany.

OBJECTIVE	MEASURE	Completed FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
12	Acquire property for downtown fire station.		June 2014				
13	Ballot Measure to voters.			May 2015			
13	Replace Fire Station 11.				July 2016		
13	Replace Police Department building.						
14	Maintain CRS rating.	6	6	6	6	6	6
15	FEMA maps updated.			Maps complete			



Objective 16: Maintain police patrol response times to priority one calls for service from dispatch to arrival time to four minutes fifteen seconds, or less. [Police]

Actions: Achieve this objective through maintaining no less than current staffing levels and incremental staffing increases related to population/demand for service increases.

II. A SAFE CITY (CONTINUED)

Objective 17: Maintain the number of fatal and injury accidents below 2.3 per thousand annually and reduce noninjury accidents by five percent annually. [Police]

Actions: Achieve this objective through continued traffic enforcement with an emphasis at high collision areas.

Objective 18: Achieve at least a 60 percent clearance rate for violent crimes and a 20 percent clearance rate for property crimes. [Police]

Actions: Achieve this objective through maintaining current staffing levels and incremental increases in the detective unit related to demand/caseload.

Objective 19: Reduce part one crimes by five percent annually with the ultimate goal of reducing crime rate to the Oregon average per thousand. [Police]

Actions: Continued emphasis on crime reduction through the COMPSTAT process.



Objective 20: Facilitate continued development of property surrounding Fire Station 12 as an emergency responder training center, and continue to explore opportunities for a regional training facility. [Fire, Police, Public Works, Other Jurisdictions]

Actions: Relocate City bus storage to expand current training facilities; explore regional partnerships, funding options, and property locations.

Objective 21: Update Standards of Coverage document for the Fire Department to identify the distribution, concentration, and reliability of department resources. [Fire]

Actions: Research and compile applicable information; draft written document; review and adoption by City Council.

Objective 22: Fund Fire Department equipment replacement to adequately address emergency equipment needs. [Fire]

Actions: Evaluate applying a portion of department's annual unspent appropriated funds toward equipment replacement; develop a schedule to identify immediate and long-term funding and replacement priorities; pursue grants and other funding alternatives.

OBJECTIVE	MEASURE	Completed FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
16	Patrol Unit: Maintain 4:15 or less response time to priority one calls.		4:15	4:15	4:15	4:15	4:15
17	Maintain number of fatal and injury accidents below 2.3 per thousand annually.		< 2.3 per thousand annually				
17	Reduce noninjury accidents.		5% annually				
18	Achieve 60% clearance rate for violent crimes.		60%	60%	60%	60%	60%
18	Achieve 20% clearance rate for property crimes.		20%	20%	20%	20%	20%
19	Achieve 5% reduction in Part I crimes annually.		5% annually				
20	Relocate City bus storage.		June 2014				
20	Explore partnerships, funding, and property for regional training center.						
21	Update standards of coverage.			June 2015			
22	Evaluate allocation of funding toward equipment replacement.			June 2015			
22	Identify funds needed to sustain equipment replacement.			June 2015			

II. A SAFE CITY (CONTINUED)

Objective 23: Reduce property code violations, substandard housing conditions, and inadequate infrastructure. [Central Albany Revitalization Area, City Manager's Office, Community Development]

Actions: Community Development will continue to respond to complaints of substandard housing, work being performed without permits, and to continue follow-up on permits where inspections have not been called for and the permits are about to expire.

Objective 24: CARA will continue to fund projects that eliminate blight and increase public safety. [Central Albany Revitalization Area, City Manager's Office, Community Development]

Actions: Aggressively abate dangerous vacant structures.

Objective 25: Maintain and continue to minimize the impact of fires. [Fire]

Actions: Continue to incorporate Fire Department requirements in the development review and approval process. Consider a single-family residential sprinkler ordinance. Conduct Fire Code compliance inspections on existing buildings. Provide fire/life safety education. Maintain residential fire/life safety equipment programs.



Objective 26: Consider options for continuation of SAFER grant-funded firefighter positions. [Fire]

Actions: Evaluate funding alternatives and impacts of grant-funded positions by May 2014.

OBJECTIVE	MEASURE	Completed FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
23 24	Continue blight removal program and evaluation.			Yes	Yes	Yes	
25	Structure fires per 1,000 residents compared to similar-sized communities.	.93 / .90	1.0 / .90	1.0 / .90	.95 / .90	.95 / .90	.90 / .90
25	Educate stakeholders about residential and commercial structure fire sprinklers.			June 2015			
25	Consider fire sprinkler ordinance.				June 2016		
25	Percentage of population receiving fire/life safety public education presentations.	13.8%	13.0%	13.0%	14.0%	14.0%	14.0%
25	Number of fire compliance inspections.	1,255	1,620	1,800	1,980	2,160	2,160
25	Percentage of fire code violations corrected.	89.3%	90.0%	92.5%	95.0%	95.0%	95.0%
25	Number of CARA-funded projects with new sprinkler systems.	2	3	3	3	4	5
26	Identify funding options to maintain fire/EMS staffing.		May 2014				

II. A SAFE CITY (CONTINUED)

Goal 2: Provide safe, sufficient, and reliable drinking water, sewage disposal, and drainage systems.

Objective 27: Optimize the use and management of the Vine Street and Albany-Millersburg Water Treatment Plants to meet regulatory and demand needs for the City's drinking water supply. [Public Works]

Actions: Develop a written water production management plan that will maximize the efficient use of the two water treatment plants to meet supply and regulatory requirements.

Objective 28: Maintain existing compliance with all water quality, pretreatment, and biosolids regulatory requirements. [Public Works]

Actions: Prepare for the requirements of a pending new discharge permit which will likely include new Total Maximum Daily Load (TMDL), toxics, and other water quality based limitations. Remain engaged in agency groups such as ACWA and PNCWA in order to remain informed and offer input into regulatory direction.

Objective 29: Develop and implement a Capacity Management Operation Maintenance (CMOM) Plan for the wastewater system to identify needs, priorities and procedures to effectively manage the wastewater system in compliance with state and federal regulations. [Public Works]

Actions: Finalize the CMOM document and monitor adherence to the document on a quarterly basis. Update the CMOM plan as new information dictates.

Objective 30: Effectively manage biosolids wastes at the Albany Millersburg Water Reclamation Facility. [Public Works]

Actions: Maximize efficiencies and cost effective management and disposal of solids at the Albany Millersburg Water Reclamation Facility. Identify a preferred alternative for a solids improvement project along with funding options.

Objective 31: Reduce the flooding potential and environmental impact of urban development on the storm water system. [Public Works]

Actions: Review the Municipal and Development Codes to identify barriers; amend codes and engineering standards as appropriate. Adopt post-construction storm water standards.



Storm drain installation in association with the Oak Street construction project.

OBJECTIVE	MEASURE	Completed FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
27	Develop written water production management plan.			Complete			
28	Obtain a new discharge permit for the WRF.				Complete		
29	Develop and implement CMOM.	Complete	Review	Review	Review	Review	Review
30	Develop alternatives and funding options for new solid process at WRF.			Complete			
31	Adopt post-construction storm water standards.			Complete			

III. A HEALTHY ECONOMY

Goals:

- Goal 1: Business — Enhance the value and diversity of Albany's economy by attracting, retaining, diversifying, and expanding local businesses.
- Goal 2: Partnerships — Strengthen the area's role as a leading regional economic center through local and regional coordination and collaboration on economic development planning and projects.
- Goal 3: Prosperity — Maintain and grow the income levels with a focus on living-wage jobs, training and education opportunities of Albany residents, consistent with Oregon and national trends. Work to increase the community's assessed value while working to achieve a healthy balance of housing and jobs.
- Goal 4: Central Albany — Create a readily identifiable downtown core that is unique and vibrant with a mixture of entertainment, housing, specialty shops, offices, and other commercial uses.

Healthy Economy Objectives:

Goal 1: Business: Enhance the value and diversity of Albany's economy by attracting, retaining, diversifying, and expanding local businesses.

Objective 32 - Support Local Business: Provide a supportive environment for the development and expansion of desired businesses, especially those who are locally owned or provide living-wage jobs. Collaborate with organizations focused on business retention, expansion, startup development, and entrepreneurship to establish new firms and strengthen existing businesses locally.

[Economic Development/Urban Renewal, City Manager's Office, Community Development]

Actions: Conduct regular visits to local businesses and industries as a business ambassador. Address the needs and opportunities for growth with Albany's businesses and work to eliminate barriers for future development by providing resources to local businesses and reducing regulatory burdens. Connect growing businesses with available resources including the Chamber, AMEDC, SBA, and the Small Business Development Center (SBDC) at LBCC. Explore feasibility of developing a small business incubator that assists in the formation of new businesses, while connecting businesses with regional economic partners and service providers.

Objective 33 - Land: Provide the supply of commercial and industrial land identified in the Economic Opportunities Analysis. Remove barriers to development of land. Research, summarize, and maintain data sheets and a web-based inventory of employment lands, including infrastructure needs with links to regional and state economic development agencies. [Economic Development/Urban Renewal, City Manager's Office, Community Development, Public Works]

Actions: Continue participation in the regional wetlands permitting and mitigation project to increase the supply of available employment lands. Complete research and documentation of available land.

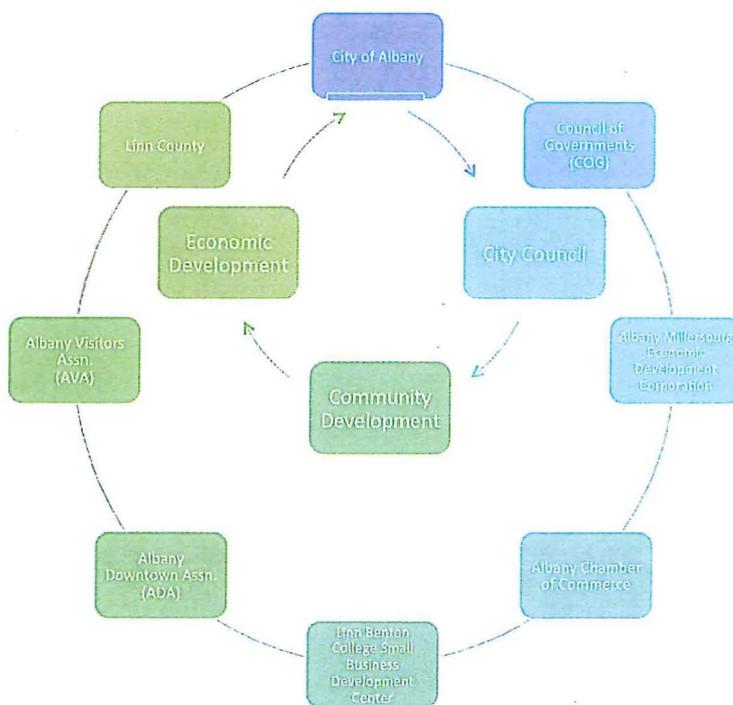


III. A HEALTHY ECONOMY (CONTINUED)

Objective 34 - Leveraging Local Assets: Maintain the ability to provide incentives, including Enterprise Zone tax abatements and City Economic Development funding program, to qualifying businesses that create jobs in Albany. [Economic Development, Central Albany Revitalization Area, City Manager's Office, Community Development]

Actions: Maintain participation in the statewide Enterprise Zone program and track quantity of businesses participating and amount of tax exemptions. Continue job-related improvement investments through the Central Albany Revitalization Area (CARA). Develop criteria and policy that guides the use of incentives to recruit, retain, or assist businesses in Albany, including the City's Economic Development Funds.

OBJECTIVE	MEASURE	Completed FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
32	Conduct regular visits to local businesses and industries.	12	12	12	12	12	12
32	Projects assisted: financial assistance or removal of development barriers.	5	5	6	6	7	7
33	Participate in regional wetlands permitting and mitigation project.	Yes	Yes	Yes	Yes	Yes	Yes
33	Complete research and documentation of available sites.	50%	100%	100%	100%	100%	100%
34	Number of businesses participating in Enterprise Zone and amount of tax exemptions.						
34	Amount of tax exemptions for businesses participating in Enterprise Zone.						
34	Develop/review policy for city's Economic Development funds.	In process	Yes	Yes	Yes	Yes	Yes



Economic Development Partners

Goal 2: Partnerships: Strengthen the area's role as a leading regional economic center through local and regional coordination and collaboration on economic development planning and projects.

Objective 35 - Partnerships: Create and maintain a dialogue between business and civic leaders on what we can do as a community to improve our local economy. Continue to partner and work closely with Albany-Millersburg Economic Development Corporation (AMEDC); promptly respond to information requests related to economic development activities. [Economic Development, All Departments]

Actions: Maintain key department contacts for immediate response to information requests. Strong intra-city collaboration between departments to further economic development priorities, eliminate barriers, and provide accurate and timely assistance within the requested time frames.

III. A HEALTHY ECONOMY (CONTINUED)

Objective 36: Work closely with partners at various organizations including COG, ADA/Main Street, AVA, AMDEC, SBDC, City of Corvallis, and Chamber to cultivate local and regional economic development projects. Support programs sponsored by local and regional partners to facilitate attraction, retention, diversification, and expansion of local businesses. Participate in statewide organizations, such as Oregon Economic Development Association (OEDA) and the Association of Oregon Redevelopment Agencies (AORA). [Economic Development, City Manager’s Office]

Actions: Regularly attend and participate in meetings of partner organizations. Effectively communicate City economic development and livability goals, policies, and regulations to partners. Participate on appropriate AMDEC, Chamber, and Main Street Committees. Maintain board membership on statewide boards to strengthen Albany’s presence and opportunities. Complete draft, review, and implementation of economic development metrics for Albany.

Objective 37 – Promotion and Communication: Promote Albany’s positive economic, social, and cultural image throughout the state and region. Compile information and develop business-friendly, professional materials to support business development, recruitment, and expansion with information on Albany, financial programs and tools, as well as available land and building resources. Provide information that emphasizes the merits of redevelopment and investment, welcome packets for new businesses, relocation guide, and information sheets for potential recruits or expansion projects. [Economic Development, City Manager’s Office, Community Development]

Actions: Compile information on available sites, general Albany information, relocation and attractions into attractive documents available in hard copy or online.

OBJECTIVE	MEASURE	Completed FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
35	Respond to information inquiries within the requested timelines.	100%	100%	100%	100%	100%	100%
36	Participation in Main Street Committees.	2	2	2	2	2	2
36	Statewide Board membership.	2	2	2	2	2	2
36	Create economic development metrics.	In Progress	100%	100%	100%	100%	100%
37	Develop professional hard copy materials and website for economic development information.	In Progress	100%	100%	100%	100%	100%

Goal 3: Prosperity: Maintain and grow the income levels with a focus on living-wage jobs, training, and education opportunities of Albany residents consistent with Oregon and national trends. Work to increase the community’s assessed value while working to achieve a healthy balance of housing and jobs.

Objective 38 - Living-wage Jobs: Focus on the creation and retention of living-wage jobs through policy, staff support, and funding of projects that support a healthy local economy and community. Continue to refine CARA programs to support job-creation projects. Support the area’s educational resources as vital to the social and economic well-being of the community. Encourage opportunities for increasing skill levels of local workers. [Economic Development/Urban Renewal, City Manager’s Office]

Actions: Complete draft, review, and implementation of CARA economic development programs. Track results and job creation of the program. Work to increase the community’s assessed value. Facilitate connections between citizens/businesses and workforce training or education. Track unemployment rate and per capita income for the city of Albany. Promote youth involvement to engage diverse, informed future leaders.



A public-private partnership between CARA and Viper Northwest helped them expand yielding 43 family-wage jobs and a significant increase in assessed value.

III. A HEALTHY ECONOMY (CONTINUED)

OBJECTIVE	MEASURE	Completed FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
38	CARA-funded Economic Development Projects.	2	3	3	4	4	5
38	Jobs (FTE) created through CARA-funded ED projects.		5	7	10	13	17
38	Unemployment rate within the city of Albany.						
38	Per capita income within the city of Albany.						
38	Create and implement youth engagement program related to civic-engagement—number of participating school classes.	2	3	3	4	4	5

Goal 4: Central Albany: Create a readily identifiable downtown core that is unique and vibrant with a mixture of entertainment, housing, specialty shops, offices, and other commercial uses.

Objective 39: Leverage urban renewal dollars to maximize the total investment and development effort in Central Albany. Create an increase in assessed value with the majority of public-private partnerships or spur private investment through strategic public investment. [Central Albany Revitalization Area, City Manager’s Office, Community Development]

Actions: Continue to focus CARA funding on private projects that create a return on investment through an increase in assessed value.

Objective 40: Recognize and support Albany’s unique historic character as a major cultural and tourist-oriented economic resource. Increase residential opportunities in the Central Albany Area.

[Central Albany Revitalization Area, City Manager’s Office, Community Development]

Actions: Continue funding of rehabilitation and restoration of historic buildings, creation of new residential units, and various projects in the Main Street Area and throughout the Central Albany Revitalization Area (CARA).



Forthcoming Woodland Square Workforce Housing Project on Salem Avenue

OBJECTIVE	MEASURE	Completed FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
39	Total annual value of CARA investments in public-private partnerships.		\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
39	Total annual value of private investment in CARA projects.		\$2.5M	\$2.5M	\$2.5M	\$2.5M	\$2.5M
39	Total cumulative value of CARA investments.		\$13.8M	\$14.3M	\$14.8M	\$15.3M	\$15.8M
40	Number of historic preservation projects funded.		4	4	5	5	6
40	Value of CARA improvements within the Main Street Area.		\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
40	Cumulative value of CARA improvements within the Main Street Area.		\$5.25M	\$5.5M	\$5.75M	\$6M	\$6.25M
40	Number of CARA-funded new residential units.		10	10	12	12	14
40	Cumulative number of CARA-funded new residential units.						

IV. AN EFFECTIVE GOVERNMENT

Goals:

- Goal 1: Effectively and efficiently deliver the services that Albany's citizens need, want, and are willing to support.
- Goal 2: Establish City government as a model of sustainability in practice.

Effective Government Objectives:

Goal 1: Effectively and efficiently deliver the services that Albany's citizens need, want, and are willing to support.

Objective 41: Reduce the percentage of total annual Parks & Recreation Fund expenditures subsidized with property tax revenues to 50 percent or lower by 2015. [Parks & Recreation]

Actions: Achieve this objective through a combination of nontax revenue increases and expenditure reductions.

Objective 42: Increase revenues received from gifts, grants, and endowments to \$10 per capita by 2014. [Parks & Recreation]

Actions: Complete and implement a Revenue Enhancement Plan in 2009, including strategies and private sector solicitations. Improve marketing and promotion efforts to communicate parks and recreation program needs to a wider audience.

Objective 43: Maintain P&R Department staffing levels at or below 1.0 FTE per 1,000 residents. [Parks & Recreation]

Actions: Annually adjust staffing plans and service delivery strategies to achieve the objective.

OBJECTIVE	MEASURE	Completed FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
41	Property tax as a percent of Parks Fund revenues.	54%	58%	55%	55%	50%	50%
42	Parks per-capita revenue received through grants, gifts, and endowments.	\$11.75	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
43	Parks & Recreation full-time equivalents per 1,000 residents.	0.52	0.52	0.5	0.5	0.5	0.5

Objective 44: Provide responsive, efficient, customer-oriented service to fee payers. [Community Development]

Actions: Meet or exceed state requirements for timely issuance of reviews and permits. Develop web-based online application submittal process and utilize electronic plans for review for efficiency. Complete building inspections as requested.

Objective 45: Reduce "Non-Revenue Water" (water loss) by one percent per year. [Public Works]

Actions: Continue leak detection efforts to identify system leaks. Replace and upgrade older water meters to reduce under-reading water usage. Enforce actions against illicit water theft. Evaluate water system replacement needs to best target limited capital funds to provide best return.

IV. AN EFFECTIVE GOVERNMENT (CONTINUED)



Water line construction on Hill Street.

Objective 46: Provide the City Council with annual reports regarding the running five-year sewer and water rate funding requirements. [Public Works]

Actions: Annual updates to the current five-year rate projection at the time the City Council considers sewer and water rate adjustments.

Objective 47: Maintain accreditation with the American Public Works Association (APWA). [Public Works]

Actions: Prepare for and obtain reaccreditation from APWA.

Objective 48: Develop a full storm drain system program and identify stable funding strategy for storm water utility functions. [Public Works]

Actions: Complete the storm water master plan. Implement code changes to bring the City in line with regulatory requirements. Identify the annual operations and maintenance and capital costs required to maintain the City's storm water system in order to meet service level expectations and regulatory requirements. Develop SDC funding mechanism and funding levels.

Objective 49: Continue participation in national performance benchmarking for comparison with other jurisdictions. Implement process improvement projects to reduce processing time and costs or increase revenues. [City Manager's Office]

Actions: Prepare annual report to detail participation and compliance to appropriate national benchmarks. Institute tracking systems to gather management data where lacking. Perform process improvement studies.

Objective 50: By the end of FY2017, reduce the cost/item circulated by 15 percent. [Library]

Actions: Explore outsourcing processing.

Objective 51: Seek \$200,000 of outside funding for new library program support by 2017. [Library]

Actions: Create an annual fund-raising campaign by working with library support groups and the Albany Library Scharpf Endowment Fund.

Objective 52: Continue recognition from the Government Finance Officers Association (GFOA) for excellence in budgeting and financial reporting. Maintain annual audit results establishing conformance to requirements and generally accepted accounting principles. [Finance]

Actions: Receive the GFOA award for "Excellence in Financial Reporting." Receive the GFOA "Distinguished Budget Presentation" award. Achieve annual audit with no reportable findings of noncompliance.

IV. AN EFFECTIVE GOVERNMENT (CONTINUED)

Objective 53: Ensure compliance with all federal and state regulations relating to municipal services. [All Departments]

Actions: Monitor federal and state regulations on a routine basis. Target resources to maintain compliance.

Objective 54: Maintain or improve City's investment ratings. [Finance]

Actions: Maintain sufficient reserves. Follow best practices for financial management.

Objective 55: Maintain the City's public access television channel. [City Manager's Office, Information Technology]

Actions: Allocate staff and other resources to effectively operate the channel.

OBJECTIVE	MEASURE	Completed FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
44	Residential plan reviews completed within 10 days.	99%	99%	100%	100%	100%	100%
44	Land use decisions issued within 120 days.	100%	100%	100%	100%	100%	100%
44	Complete inspections within same day of request (when called in by 7:00 a.m.)	99%	99%	99%	99%	99%	99%
45	Reduce non-revenue water percentage of total production.	18%	17%	16%	15%	14%	13%
46	Annual rate reports to Council.	Yes	Yes	Yes	Yes	Yes	Yes
47	APWA accreditation.	mid-term report		reaccreditation		mid-term report	
48	Complete Storm Water Master Plan.			Complete			
48	Implement storm water funding plan.			In progress	Complete		
49	Annual report of performance benchmarking progress.	Completed 11/2012	November 2013	November 2014			
49	Completed process improvement projects.	1	1	1	1	1	
49	Cost savings or cost avoidance from completed studies.	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	
50	Cost per library item circulated.	\$3.45	\$3.25	\$3.20	\$3.00	\$2.80	\$2.60
51	Non-General Fund program support for the Library.	\$50,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
52	Receive "Excellence in Financial Reporting" award.	Yes	Yes	Yes	Yes	Yes	Yes
52	Receive "Distinguished Budget Presentation" award.	Yes	Yes	Yes	Yes	Yes	Yes
52	Reportable audit findings of noncompliance.	None	None	None	None	None	None
53	Compliance with federal and state regulations.	Yes	Yes	Yes	Yes	Yes	
54	Maintain investment ratings.	Yes	Yes	Yes	Yes	Yes	Yes
55	Percent of time system is available.	95%	95%	95%	95%	95%	

IV. AN EFFECTIVE GOVERNMENT (CONTINUED)

Goal 2: Establish City government as a model of sustainability in practice.

Objective 56: Advance current administrative efforts in enacting sustainability practices within city operations.
 [City Manager's Office]

Actions: Increase employee involvement in sustainable practices and increase awareness. Develop and implement a program of model practices for city staff.

OBJECTIVE	MEASURE	Completed FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
56	Implement and maintain model sustainability practices program.	1	1	1	1	1	1

STRATEGIC PLAN ACCOMPLISHMENTS

UNDER STRATEGIC PLAN FY2013 THROUGH FY 2017

City Manager's Office

- Received ICMA Award of Excellence for Performance Management.

CARA and Economic Development

CARA

- Retooled CARA programs with a new focus on increasing assessed value, eliminating blight, resorting Albany's historic resources, and a heavy emphasis on job creation.
- Paid off a higher-interest bond.

Economic Development

- Kate Porsche was named to the Economic Development/Urban Renewal Director position to work with existing businesses to help remove barriers to job creation.
- Responded to AMDEC information inquiries within requested timeframes 100 percent of the time.

Community Development

- Completed extensive Development Code amendments based on Business Ready Task Force recommendations.
- Adopted the South Albany Area Plan.
- Established the Community Development Block Grant (CDBG) program.
- Completed implementation of electronic plan review.

Finance

- Received the Excellence in Financial Reporting Award.
- Received the Distinguished Budget Presentation Award.

Fire

- Objective 12: Identified property to purchase and began the process to acquire property needed to build a new downtown fire station.
- Objective 13: Took a ballot measure to the voters in November 2013 to build a new downtown fire station.
- Objective 21: Continued with development of property surrounding Fire Station 12 for training purposes.
- Objective 26: Trained two new Deputy Fire Marshals to conduct fire code compliance inspections; continued to provide fire and life safety education and residential safety equipment as needed to the community.

STRATEGIC PLAN ACCOMPLISHMENTS (CONTINUED)

UNDER STRATEGIC PLAN FY2013 THROUGH FY 2017

Library

- The Library completed collaboration with Linn-Benton Community College (LBCC) and Lebanon Public Library whereby the three agencies now share an open-source Integrated Library System (ILS) known as Evergreen. Following on this project, the three libraries received a grant to cover costs of migrating the remaining Linn County public libraries to Evergreen. Migration will occur in 2014. In 2015, the libraries will implement a courier service between the partner libraries, also covered by this grant. This is an Effective Government initiative based upon the City's Strategic Plan.

Parks & Recreation

- Secured use of gyms for P&R programs at Timber Ridge School and at the Albany Boys & Girls Club.
- Secured addition by donation of 94 acres to Oak Creek Greenbelt.
- While reducing the number of FTEs in the department by 17% since 2009:
 - increased donations of cash for department activities from \$7 to nearly \$12 per capita.
 - reduced maintenance costs per developed park acre from \$3,000 to \$2,700 .
 - maintained the property tax subsidy for all P&R activities at 55% or lower.
 - maintained consistent levels of total park acres and developed acres per 1,000 residents, despite population growth.
 - shifted 0.6 FTE from local property tax support to grant funded program.

Police

- Achieved accreditation from the Oregon Accreditation Alliance.
- Deployed the 700 MHz radio system.

Public Works

- Completed formation of the Albany Area Metropolitan Planning Organization (AAMPO).



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