

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

**MINUTES**

CALL TO ORDER

Mayor Sharon Konopa called the meeting to order at 4:00 p.m.

ROLL CALL

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

Councilors absent: None.

BUSINESS FROM THE PUBLIC

There was no business from the public.

MUNICIPALITIES CONTINUING DISCLOSURE COOPERATION INITIATIVE

City Manager Wes Hare summarized the issue for the Council: in 2008, the City failed to disclose to the Securities Exchange Commission (SEC) an improvement in Albany's bond rating. This put the City in technical violation of the Continuing Disclosure Cooperation Initiative. Hare said the failure was unintentional and in the City's underwriter's opinion, not material. The City's underwriter, however, believes the SEC requires them to report it, material or not.

Gulgun Mersereau, bond attorney with Hawkins, DelaField, & Wood LLP, joined the meeting by conference call. She agreed that the City's failure to report was not material, but said the SEC has been frustrated by non-compliance and the new Cooperation Initiative is intended to enforce compliance. The City needs to decide whether to self-report an issue that isn't material, or not report and risk investigation and possible penalties by the SEC. The SEC has had no similar programs, so there is no track record of how they will act. Consequences for not reporting could include an investigation, a cease-and-desist order, and requirements for staff training. The City would also have to disclose in any future bond issues that the SEC had imposed a cease-and-desist order for failure to report. The City would have to hire a specialized securities lawyer to defend itself in an investigation. There are no financial penalties for self-reporting, but the SEC might still issue a cease-and-desist order, impose staff training requirements, and order disclosure of the cease-and-desist order in future bond issues.

City Attorney Jim Delapoer said the City's bond counsel, Harvey Rogers, suggests that if the Council decides to report, the City should implement its own training and procedures to ensure it won't happen again, and in hopes that the SEC would not issue a cease-and-desist order. Mersereau said the SEC tends to look favorably on that kind of initiative. She recommends that the City implement training and procedures whether or not the Council decides to self-report. She added that if the SEC imposes a cease-and-desist order, the City would be able to include an explanation of the "violation."

MOTION: Councilor Ray Kopczynski moved to self-report the failure to properly disclose a 2008 ratings upgrade and Coburn seconded the motion. Coburn amended the motion to include implementing policies and training procedures suggested by the SEC and the amendment was agreeable to the motion maker. The motion passed 6-0.

ENERGY SAVINGS PROGRAM

Information Technology Director Jorge Salinas presented a PowerPoint report on the Strategic Energy Management (SEM) Initiative (see agenda file). The study and the measures already implemented have saved the City far more than expected in the first year. Salinas called Building Maintenance Lead Worker Tom Valentino and Wastewater Treatment Plant Supervisor Richard Johnson "heroes" for their help with the Initiative.

Konopa thanked Salinas and staff for their work.

COUNCILOR COMMENTS

The Council discussed scheduling the Transient Lodging Tax discussion on the agenda sooner than the previously suggested January date. Staff will schedule it in the near future.

Councilor Dick Olsen thanked Parks and Recreation staff for the Lumber to Legacy auction on Sunday, November 16, 2015. The Council discussed ways to reclaim more usable wood for the Sawing for Schools program.

Economic Development & Urban Renewal Director Kate Porsche asked to put Sno-Temp on the work session agenda for December 15, 2015. The Council agreed.

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Konopa reminded the Council of the meeting place and time for the Veteran's Day parade Tuesday morning, November 10, 2015.

CITY MANAGER REPORT

There was no report.

ADJOURNMENT

There being no other business, the meeting was adjourned at 5:05 p.m.

Respectfully submitted,

Reviewed by,

Allison Liesse  
Accounting Specialist

Stewart Taylor  
Finance Director