

CITY OF ALBANY
CITY COUNCIL WORK SESSION
Municipal Court Room
Monday, November 17, 2014
4:00 p.m.

MINUTES

CALL TO ORDER

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

ROLL CALL

Councilors Present: Councilors Bill Coburn, Floyd Collins, Bessie Johnson, Rich Kellum, Ray Kopczynski, Dick Olsen

Councilors Absent: None

BUSINESS FROM THE PUBLIC

There was none.

TRANSIENT LODGING TAX DISCUSSION

Konopa said the Council previously discussed whether the City should participate with the Linn County Expo Center in enhancing their services for tourism. Discussion was held over to allow time to address concerns from some of the City's agencies. The Council had not yet agreed whether or how to participate. Options include participation in staffing or capital needs, no participation, or making participation contingent upon the formation of a county transient lodging tax.

Councilor Rich Kellum distributed and reviewed a written proposal (see agenda file). Under the proposal, the City would provide funding for a sales position to ensure more overnight stays in Albany, thereby creating commerce in hotels and other businesses. The proposal calls for \$40,020 in base pay and up to an additional \$50,000 for commission with multiple night stays in hotels being paid at a higher rate. There would be quarterly reporting to the Linn County Commissioners and Albany City Council, and future support would be contingent upon the success of the position.

Kellum said the proposal was not that Albany help the County, but rather that Albany help determine how the County sells space at the Expo Center. To the County, filling the Expo Center with clients and being paid is success. To local hoteliers and businesses, success comes from multiple night stays. If the system could be made to work so there are more overnight stays, he said, everybody wins. The County has put out a request for quotation (RFQ) with a base pay and commission structure that is intended to encourage success.

Konopa said an earlier proposal included Linn County imposing its own transient lodging tax. Kellum said there was mixed support for that idea. While it is important that the County support the system, he said, how they do so is less important.

Konopa asked if the County has appropriated money for the position they are advertising. Kellum said no; it was his impression that the previous half-time position would continue as an internal County position and handle the day-to-day business while the new position would market for larger events from out of the area.

Konopa expressed concern about whittling away at the tourism promotion piece of the Transient Lodging Tax (TLT) program. Kellum said it was his understanding that the fund had not been used a lot.

Councilor Ray Kopczynski agreed that the Expo Center is an asset to the entire area and that if the position does the job well, that will drive more multi-night stays which will generate more TLT for everybody. He said the potential is great. He would like to make the City's participation contingent on the County committing in writing that they will provide funding to maintain the facility.

Councilor Bessie Johnson agreed that a written commitment that the County will keep the Expo Center up to par is needed. With that, she thinks it is time to get going and do something on this issue.

Parks and Recreation Director Ed Hodney described the commission structure for the position as reported in the newspaper. The incentive was advertised as 15% of new gross revenue brought in by the sales position, plus 5% for each new booking that returns for two years and an additional 5% if the new booking returns for three years. Kellum said he has suggested a slightly different structure which would set the base commission at 10% with an additional 5% for multi-night stays even the first year.

Johnson commented that this would not take away from allocations to the other agencies. She said it is time to think outside the box and try something new. It could always be stopped if it isn't working.

Konopa asked if the Council wants to work toward an intergovernmental agreement on this issue.

Councilor Floyd Collins said a lot of ideas were floated when the subcommittee met to discuss the Expo Center, and there was a real recognition that we have an asset that is not being fully utilized. The intent is to maximize the asset for the benefit of the entire community. He suggested that the proposal be refined and presented to the County Commissioners as a concept proposal. If they accept it, then staff could determine how best to document the agreement.

Councilor Dick Olsen said the County is already recruiting. He said they should be given a chance to fill the position and see if they can get the Expo Center going again before meddling in their business. If the Council feels someone should be hired to promote the Expo Center, he said, they should be hired to work with the City's own agencies.

Kellum said the County put out the RFQ because it was discussed in committee and because he asked for it. He said sales people and service people are generally different kinds of folks and the proposed system would result in the best people doing each job.

Johnson said the previous position was half-time and the employee was not able to do all that was needed. The proposal would result in one position to go out and get business and another position to make sure everything runs smoothly when shows arrive. She said the proposal is worth a try.

Councilor Bill Coburn said he continues to be frustrated that the County is not present and involved in these conversations. He said Olsen made good comments about giving the County time to work this out. He said the facility is an asset to the entire region and there may be value in partnering on the sales position; however, he thinks the proposal is premature in terms of the City's involvement. He would see value in staff reaching out to the County and, if there is an interest on their part to see the City involved, he is willing to talk with them.

City Manager Wes Hare gave some history. When the issue arose of whether the City should be involved in assisting the County with the Expo Center, the Council delegated the issue to the subcommittee. There were meetings and discussions with the County and a variety of suggestions were made. It was clear that the County would appreciate some contribution from the City for assistance with the Expo Center in some form but staff did not come away with clear policy direction. If the Council is interested in providing some level of assistance for the promotion or operation of the Expo Center, staff could facilitate a discussion and come back with a proposed structure.

Konopa said it may be hard to get Council agreement on the level of support. One option would be that the City increase the TLT by 1% for the County and, hopefully, the County would also impose its own transient lodging tax.

Kopczynski said the specifics of the funding could be part of what is brought back. He looks at this as a good faith effort to jumpstart the process and help with the marketing. If it works, everybody benefits. He would like staff to talk with the County and bring back a proposal.

Olsen said the original request several years ago was for money to fix up the Expo Center. At that time, Council suggested the County has the ability to levy its own transient lodging tax. He wondered why they couldn't consider that option.

Konopa suggested this could be discussed at a joint meeting with the County Commissioners. Kellum felt that discussion would lead nowhere.

MOTION: Collins moved to agree in principle with the draft proposal including a potential added pay incentive for increasing overnight stays, and to have staff talk to the County to see if they agree in principle and report back. Kellum seconded.

Collins said the details are open for discussion. His objective is to make the Expo Center the best asset possible so everyone wins. The first step is to agree in principle to some concepts and outcome objectives. The motion directs staff to work with the County to see if that can be made to happen.

Coburn questioned if a motion is needed to direct staff to reach out to the County. He said the proposal seems well thought out but his concern is that there has been no feedback from the County.

Konopa said staff may need more direction before talking to the County on whether the Council wants to upfront money or not. Kopczynski said the motion is sufficient to allow staff to talk to the County about the concept and bring back information. Johnson agreed and called for the vote.

VOTE: A vote was taken on the motion and it passed 5-1, with Olsen voting no.

CITY MANAGER PERFORMANCE EVALUATION

Konopa said there were good responses on the City Manager's evaluation forms. She asked if any Councilors wanted to clarify or elaborate what they had in their evaluations.

Kellum said he has a general frustration about the time it takes to get anything done. Johnson said staff has been cut over the years and the people left can't do everything at the same speed as when there was more staff. Kellum said the work is getting done, just maybe not as fast as he would like.

Kopczynski said Hare does a good job of coming across as very nice when people are throwing slings and arrows. On occasion, he would have no problem if Hare asked the Council's permission to fight back.

Hare said it isn't his job or his nature to get into exchanging barbs with people. It is part of his responsibility to correct what he knows to be misinformation, which he has done in public settings a number of times and will continue to do in a polite and respectful way. He said there are great examples of people who have come in as critics and later became some of the City's best volunteers. He said there is a responsibility with the City Manager's position to maintain a level of respect. Kopczynski said Hare does that very well.

Collins said there have been discussions about maintaining a list of pending Council requests. There are times when issues brought up during a meeting or work session fall through the cracks. He would like to see the pending issues list materialize.

Collins said issues have arisen because we sometimes get in a hurry. It is important to think through programs in their entirety and to present strategic approaches on how to solve issues.

Coburn said an area of concern for him moving forward is how to balance the General Fund budget without continuing to borrow from other funds. He will be bringing this up during the Budget Committee discussions. Hare said the City has been trying to sustain service levels without the revenue sources seen in the past. A number of construction projects will be coming onto the tax rolls and he thinks there will be some improvement. Of course, with development come new people who demand services.

Hare reviewed goals that Collins laid out for the City Manager to be looking at over the next year. Hare's comments are in italics.

- Implementation of the Public Safety Facilities Review Committee recommendations. *This translates into trying to get the policy decision before the voters.*
- Develop a policy maker level workgroup of the major taxing agencies to discuss coordination of support of service delivery process. *The good news is that if Council chooses to put the GO Bond on the ballot in May, it appears there will be no competing measures. The more difficult issue is the different jurisdictions passing measures but then not being able to get the amount of money the voters approved because of compression. For example, the police and fire levy brought in \$1.5 million less to the General Fund than was approved due to compression.*
- Development of the settlement proposal with Lowe's and moving through the permitting process. *This work is well underway and will be a high priority in the year ahead.*
- Review land use processes and timelines. *The City has powerful new tools to help with permitting and they appear to be working very well. Credit goes to Information Technology Director Jorge Salinas and his staff for this work.*
- Prepare a 2015-16 Budget which provides services without borrowing for operations. *Staff will do their best toward this goal. There will be further discussion at the Budget Committee meeting.*
- Assist with a revised process to distribute hotel/motel tax. *Staff will be having the discussion with Linn County on this issue.*

Hare said other projects include continued work with the City of Lebanon in trying to come up with an agreement on the Canal, and with urban renewal which continues to be a major tool that comes with controversy.

Konopa invited comments about Hare's salary survey. In discussion, Hare said his salary is lower than the comparator communities because he has always requested a higher level of deferred compensation. He has never asked for an increase higher than that being offered to the rest of the management team, and he would like to stay with that. Discussion followed.

MOTION: Kopczynski moved to approve the City Manager's contract. Olsen seconded. The motion passed 6-0.

Konopa thanked Hare and said he is doing an outstanding job for the City.

Albany City Council
November 17, 2014

COUNCILOR COMMENTS

Coburn referred to the new bridge project on Belmont Street and noted there is a fire hydrant on the west side of the creek that appears nearly impossible to access; he asked that staff check into it.

Collins said he would not be in attendance for the December 1, 2014, or December 3, 2014, meetings.

CITY MANAGER REPORT

None.

ADJOURNMENT

There being no other business, the meeting was adjourned at 5:40 p.m.

Respectfully submitted,

Teresa Nix
Administrative Assistant

Reviewed by,

Wes Hare
City Manager