

CITY OF ALBANY
CITY COUNCIL
Council Chambers
Wednesday, June 24, 2015
7:15 p.m.

MINUTES

CALL TO ORDER

Mayor Sharon Konopa called the meeting to order at 7:15 p.m.

PLEDGE OF ALLEGIANCE TO THE FLAG

Konopa led the pledge of allegiance to the flag.

ROLL CALL

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

Councilors absent: Councilor Bill Coburn was excused.

SCHEDULED BUSINESS

ROLL CALL

SPECIAL PRESENTATION

Marketing plan for the Linn County Fair & Expo Center.

Greg Hansen, of GQG International, said his firm was retained a month ago to help Linn County with marketing and outside sales. They have been in “discovery and assessment” mode. He thanked Councilor Rich Kellum for arranging the presentation tonight. He said GQG’s emphasis is on securing more events at the Expo Center, especially events involving overnight stays in Albany. To do that, we need to assess what is, define what ought to be, and decide how to get there.

Hansen presented a list of questions they’ve been asking to do an assessment (see agenda file). The Expo has a lot of competitors. He asked, how do we position ourselves to compete? How do we measure success? Albany is a wonderful community. Having events come here will be huge for the community, and will make others aware of Albany’s amenities. The next step is to draft a marketing strategy. We will need metrics to measure success. We are all marketing partners for the Expo Center, and we can all participate by spreading the word. Most people want to help, if you ask.

Councilor Floyd Collins asked if GQG is doing a physical assessment of the Expo Center facility, and if they will develop a capital budget or a plan to bring it back to the desired level. Hansen said he was asked to take a comprehensive look at the Fair and Expo. They will be suggesting some improvements to make it a “Class A” facility.

Collins mentioned the Albany Airport, which is one of the few in the northwest where people can fly in to an event center. The City’s Master Plan calls for getting aircraft right into the Expo Center. Aircraft and the Expo Center together would attract a core group of people and benefit both. Hansen said I-5 is the biggest asset. According to the Oregon Department of Transportation, 50,000 vehicles travel I-5 through Albany both ways, every day. Albany needs to have attractions so they stop here.

Councilor Dick Olsen asked if Hansen had talked to any local hoteliers. Hansen said he has visited all ten of them, some of them a couple of times. They are very supportive. They’ve made a significant investment here and want to be full, especially mid-week and off-season. Olsen asked if Hansen will write an initial report stating where we are now. Hansen said yes. Olsen asked if he would include statistics for rooms rented in the report as a baseline to measure improvement. Hansen said yes. GQG will be considering hotel and Expo Center rates in comparison with other venues.

Hansen invited emails or telephone calls with other ideas and questions.

PROCLAMATION

Community Accessibility Awareness Month

Konopa read the proclamation. She said many will realize the importance of accessibility as they age.

SCHEDULED BUSINESS

Public Hearings

1) Setting rates for wastewater system use and repealing Resolution No. 6332.

Open: Konopa opened the public hearing at 7:38 p.m.

Assistant Public Works Director/City Engineer Jeff Blaine showed a Power Point presentation (see agenda file). The resolution is for a 9% increase in sewer rates. He explained where the money goes (debt repayment, operations and maintenance, capital investment).

Kellum asked if having our own Cured in Place Pipe equipment would be more reasonable than contracting out. Wastewater Collections Supervisor Jeff Gill said staff has looked into it, but the number of incidents does not warrant purchasing our own equipment.

Blaine explained why Public Works is proposing a rate increase. Several years ago, Public Works and the Council looked at the results of a condition survey and identified a required dollar amount to address the worst problems. The goal was to reach \$2.6 million by 2017. It's easier for people to accept predictable, moderate rate increases than one large rate increase. In May of 2014, staff estimated that a 9% increase in sewer rates would be needed in July 2015. Updated information suggests that a 6% increase would keep the City on track to reach the funding goal. This is because, last year, Council approved an 8% increase instead of the minimum 6% increase. Based on that action, Council could decide to "buy down" this requested increase from 9% to 6%.

Blaine remembers that last year's discussion of large capacity needs to meet regulatory requirements drove the 8% increase. If that is still a concern for the Council, they can choose to approve the requested 9% this year. If they would rather set the concern aside for now, they can choose to approve 6%. He showed slides describing the impact of each increase to residential sewer bills.

Blaine said rate revenue has generally increased over the last five years, consistent with the adopted rate increases. System Development Charges (SDC) revenues fluctuate with building activity. Public Works is conservative in projecting SDC revenues. If they are better than expected, it could have a positive effect on future rates. In the next few years, the City will exhaust its SDC reserves, which pay part of the debt payment for the Water Reclamation Facility and Talking Water Gardens. He said, if we run out of SDC reserves, we will need to use rate revenue to cover SDC's share, which would require rate increases in order to maintain the target amount available for perpetual life replacement projects. It will likely happen, but we don't know yet to what degree. Restructuring of operations and maintenance processes has helped to reduce the annual increase in expenditures, but we still expect to see expenditures increase over time.

Collins asked, given the \$2.6 million and the condition survey, what pieces would fail in the next five years? Blaine described the coding system for pipes. There are about 222 miles of gravity pipes. Collins said that over 10 percent of the 222 miles is likely to fail in 10 years. Blaine said, in the last few years before the plan, we were not spending enough money on the wastewater collection system. The \$2.6 million target allows somewhere between a 100-year and 200-year replacement schedule.

There was no one signed up on the signup sheet (see agenda file).

No one in the audience wished to testify.

Close: Konopa closed the public hearing at 8:07 pm.

Councilor Ray Kopczynski said that since Parks & Recreation is also increasing their rates, he would like to stay with the 6% sewer rate increase. Blaine noted that there was a resolution on the dais calling for a 6% increase (see agenda file).

MOTION: Kopczynski moved to adopt the revised resolution on the dais for a 6% increase and Kellum seconded it. The motion passed 5-0 and was designated Resolution No. 6427.

2) Adjustments to System Development Charges and connection charges.

Konopa declared the public hearing open at 8:09 p.m.

Civil Engineer III Jeni Richardson, P.E., called attention to replacement page 51 on the dais, which corrects a minor error in the sewer connection charge resolution (see agenda file).

Richardson explained that System Development Charges (SDCs) and connection fees are in place to make sure that as the community develops, new development helps pay its share of the cost for services. Each year the SDCs and the connection charges are evaluated for a potential increase based on the Engineering News Record (ENR), which tracks the cost of construction. The closest index, and one the City has used historically, is the Seattle index.

Richardson said the items before the Council are annual adjustments to all the SDCs and connection charges based on this year's ENR index of 2.41%. The Albany Municipal Code says the increases are made

automatically; however, it has been Council's tradition to hold a public hearing. The one exception to the index increase is the Transportation SDC, which has two increases proposed: the index increase and also a ramp increase. When the new Transportation System Plan was implemented a few years ago, rather than implement the full fee all at once the Council chose to look at economic indicators. As long as the indicators were positive they would implement the ramp increase over five years. This is the fifth and final year of the ramp process.

Richardson said that the agenda packet also includes some special cases, such as the North Albany in-lieu-of assessments for sewer work that was done in the early 1990's, and the Columbus Street sanitary sewer lift station work done in the late 1990's. In each case, the City prepaid some improvements and as development happens it is paid back in today's dollars.

There was no one listed on the signup sheet (see agenda file).

No one in the audience wished to testify.

Konopa closed the public hearing at 8:12 p.m.

MOTION: Kopczynski moved to adopt System Development Charges and connection charges resolutions a) through d) and f) through j) as presented; and for item e), to adopt the revised resolution on the dais. Collins seconded the motion.

Councilor Bessie Johnson asked what area the in-lieu-of assessment was in. Richardson identified item h), the North Albany sanitary sewer basin, in early 1990s, and item i), the Columbus Street sanitary lift station. She confirmed that the assessments are being paid, not forgiven.

Collins said, the staff report says that the City Council would use forward-looking economic indicators in setting rates. When the indicators are positive, rates rise. This reflects the continuation of that policy.

VOTE: A vote was taken on the motion and it passed 5-0 and was designated as follows:

- a) Revising water system development charges, reaffirming an appeal fee, and repealing Resolution No. 6334. RES. NO. 6428
- b) Revising transportation system development charges for impacts to the Albany Transportation System, reaffirming the appeal fee, and repealing Resolution No. 6417. RES. NO. 6429
- c) Revising sewer system development charges for connection to the public sanitary sewer system, reaffirming an appeal fee, and repealing Resolution No. 6336. RES. NO. 6430
- d) Revising connection charges for street connections to improved city streets of unassessed properties in the city of Albany and repealing Resolution No. 6337. RES. NO. 6431
- e) Revising connection charges for sewer connections of unassessed properties in the city of Albany and repealing Resolution No. 6338. RES. NO. 6432
- f) Revising connection charges for water connections of unassessed properties in the city of Albany and repealing Resolution No. 6339. RES. NO. 6433
- g) Revising connection charges for storm connections of unassessed properties in the city of Albany and repealing Resolution No. 6340. RES. NO. 6434
- h) Revising in-lieu-of assessment charges for the North Albany sanitary sewer basin and repealing Resolution No. 6341. RES. NO. 6435
- i) Revising special connection charges for a portion of the Columbus Street sanitary sewer lift station project costs, which are allocated to unassessed properties within the lift station service area, and repealing Resolution No. 6342. RES. NO. 6436
- j) Revising the improvement assurance charges for the non-oversized portion of future arterial and collector street improvements for streets located within the North Albany area and repealing Resolution No. 6343. RES. NO. 6437

Business from the Public

There was none.

b. Adoption of Resolutions

1) Adopting the 2014-2015 Supplemental Budget.

Finance Director Stewart Taylor said there are two reasons for a supplemental budget. One is revision of an action that the Council gave direction on earlier. In this case, the Building Division is transferring money back to the Settlement fund to prepay their portion of the loan for Accella. The other reason is for adjustments to individual line items. As an example, 2014's dry summer caused more maintenance expense for parks and ball fields. It isn't known until late in the budget year whether the expenses will exceed the budget authority allowed when the budget was adopted. The supplemental budget transfers from an under-spent item to an exceeded item to stay within the budget for the program or category. This is still consistent with the action of the City Council when the budget was adopted.

Collins said on page 65 there are two transfers out, for in-lieu-of franchise fees. These fees are calculated on revenue generated internally to the City, and excludes the revenue requirement for debt service. Taylor said that is correct. He described the policy. Collins said he wants to be sure capital is excluded. Taylor said it is.

MOTION: Kellum moved to approve the resolution adopting the 2014-2015 Supplemental Budget and Kopczynski seconded it. The motion passed 5-0 and was designated Resolution No. 6438.

- 2) Approving exemption from the competitive bidding requirements through a contract with Kittitas County Public Hospital District 2 and Braun Northwest, Inc.; issuing a notice to aware a proposed contract with Braun Northwest, Inc.; and authorizing the Fire Chief to enter into a contract with Braun Northwest, Inc., not to exceed \$130,649 to remount/refurbish a 2006 Lifeline ambulance.

Fire Chief John Bradner said the Fire Department has three ambulances built in 2006. Last year, Council approved waiving competitive bidding to remount one of the units. In this budget, the Department is asking to again waive competitive bidding to buy an ambulance from Kittitas County.

Kellum asked Bradner to clarify that they can waive the bid process because the bid process already happened somewhere and we are tagging onto it. Bradner said yes.

Kopczynski thanked the Fire Department for trying to make do with what they have. Bradner said rebuilding instead of buying new will mean a significant cost savings.

MOTION: Kellum moved to approve the resolution and Kopczynski seconded it.

Johnson asked how long it would take to get the new ambulance. Bradner said it will be towards the end of summer or early fall before it arrives.

Olsen asked how long the medical unit box lasts. Bradner said the boxes last about twice as long as the chassis. The department hopes to get about 20 years out of them.

VOTE: A vote was taken on the motion and it passed 5-0 and was designated Resolution No. 6439.

- 3) Repealing Resolution No. 6344 and revising fees and charges for Parks and Recreation services for FY2015-2016.

Konopa asked Parks & Recreation Director Ed Hodney about COOL! Pool fees. Hodney said the youth fees are going up by 25 cents. Konopa asked if we still offer a low-cost pass for children that live right in the COOL! Pool neighborhood. Hodney said that they have a fund that's largely privately funded and is used to buy down the cost of the experience for those who can't afford it. Some people use the pool for very low cost compared to the market rate. Johnson asked how people find out about the program. Hodney said it's heavily promoted in Parks & Recreation flyers. They have similar funds for all activities, not just the pools. It's fairly well known in the community.

Kellum asked about softball fees, which are higher for coed teams than for single-sex teams. Hodney said there are costs associated with coed leagues that don't occur with the other leagues.

MOTION: Johnson moved to adopt the resolution and Kopczynski seconded it. The motion passed 5-0 and was designated Resolution No. 6440.

Adoption of Consent Calendar

- 1) Approval of Minutes
 - a) April 22, 2015, City Council Regular Session.
 - b) May 18, 2015, City Council Work Session.
- 2) Approving liquor licenses for:
 - a) Ds Albany, LLC, d/b/a 76 Food Mart, 3135 Santiam Highway SE.
 - b) Azteca Real 2, LLC, d/b/a Azteca Real Mexican Family Restaurant, 2987 Santiam Highway SE.
- 3) Approving annual liquor licenses.

MOTION: Kopczynski moved to adopt the Consent Calendar as presented. Johnson seconded the motion and it passed 5-0.

Report

Selection of owner's representative for new fire and police stations.

Engineering Manager Staci Belcastro referred to a memo on the dais (see agenda file). She said staff is requesting approval by motion to begin negotiations with David Evans & Associates. The owners representative will do project management during design and construction. The position was included in the project costs the Council reviewed in February. Evans' team has a lot of experience locally and throughout

the Northwest. Most of them live in and around Albany. Belcastro thinks they are very qualified and will look after Albany's best interests. Public Works will bring a request to award the contract to the Council, probably the second meeting in July.

Konopa said David Evans & Associates has done several projects in Albany, including the train station, the North Albany Park & Ride, the seismic upgrade at the Vine Street Water Treatment Plant, and the sidewalk replacement on Gibson Hill.

Collins said he dislikes the "two-envelope" process even though it is consistent with state law. It requires a city to select a proposal, and then negotiate the contract, yet one of the important things to evaluate with a proposal is the price. City Manager Wes Hare said the idea behind the process is to get the most qualified proposal, not just the cheapest.

Konopa asked, if David Evans' price is too high, can we reject it? Belcastro said yes, we could start negotiations with the number two proposer. She said they could go through all six proposers if necessary. All six proposers were responsive and well-qualified.

MOTION: Collins moved to approve to begin negotiating a contract for the Police and Fire Station Project Owner's Representative to provide professional, technical, and expert project management services to oversee the preliminary design contract and the construction of the Police and Fire Station Project with the apparent successful proposer, David Evans and Associates Inc. Kopczynski seconded the motion and it passed 5-0.

BUSINESS FROM THE COUNCIL

Kopczynski reported that the foundation for Lowe's has been poured and steel beams are set. The walls for the new Auto Zone are up and the façade for Novak's Restaurant is underway. There are positive things happening in Albany.

NEXT MEETING DATE: Work Session: July 6, 2015, and Regular Session: July 8, 2015

ADJOURNMENT

There being no other business, the meeting was adjourned at 8:43 p.m.

Respectfully submitted,

Reviewed by,

Mary A. Dibble, MMC
City Clerk

Stewart Taylor
Finance Director