

**CITY OF ALBANY
BUDGET COMMITTEE MEETING
City Hall Council Chambers
Tuesday, May 16, 2006, 7:15 p.m.**

MINUTES

CALL TO ORDER

Chair Dyner called the meeting to order at 7:15 p.m.

ROLL CALL

Members present: Councilors Sharon Konopa, Doug Killin, Dick Olsen, Jeff Christman, Ralph Reid Jr., and Bessie Johnson. Committee members Wolf Dyner, Vince Cappalo, Susan Folden, Steve Terjeson, Bill Coburn, and Doug Moore.

Members absent: Mayor Chuck McLaran and Robert Balcorta

PUBLIC COMMENT

No one wished to speak.

CONTINUE BUDGET REVIEW

Administrative Services

Assistant City Manager/Chief Financial Officer Susan Busbice explained the changes in Central Services, including moving several funds into Central Services from other areas in the budget, notably Information Technology, Facilities Management, and Permit Tracking. She said staff will be working on developing a more equitable way to charge out citywide services to departments. The City has hired a consultant to produce a cost allocations formula in order to charge out a base level of services. She mentioned that the consultant fees line item may have other costs than consulting, such as contractual services. Next year it will be split into separate line items.

Parks

Parks & Recreation Director Ed Hodney provided a PowerPoint presentation explaining the Parks service changes, significant adjustments (revenue increase and reductions, expense increases, and staffing), capital expenditures (new parks and playground replacements), and outside agencies (YMCA, Boys & Girls Club, Community After School Program, and Senior Meals).

Councilor Johnson asked for some information on the new parks on page 49 of the Proposed Budget. Hodney explained that Lexington Park is to be finished this spring. They plan to complete the park on 53rd Avenue as well. Both are in the Parks Master Plan. 53rd Avenue has been carried in the budget for two years and they plan on implementing it this year. Her concern was that it doesn't end up like Lexington Park with little or nothing being done for several years.

Member Dyner mentioned that several items are still "in progress" on page 42. He asked where the Arts Commission was being funded from. Hodney explained that public art expenditures are now a line item within the Parks Administration budget and can be seen on page 28 of the goldenrod, line item budget.

Johnson asked, what progress was being made towards the YMCA partnership agreement for Timber Linn Memorial Park development? Hodney said it will take some time. No agreements have been reached yet. Staff is still pursuing the possibility.

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Economic Development

Economic Development Director Dick Ebbert reviewed the Airport, Economic Development, and Transit budgets. He mentioned that there were additional monies in contingencies for any unforeseen fuel increases.

Busbice noted that on page 64 of the goldenrod, line item budget, #61052, Aviation Fuel should be \$62,500; #61250, Fuel System Costs should be \$6,000; and #71002, Airport Security, should be \$5,300.

Councilor Killin mentioned that the request from the Whitewater Jet Boat Association was included in the Albany Visitors Association line.

Johnson asked if lengthening the runway was an option for Albany. Ebbert said they would need 3,500 more feet and it is not available.

Councilor Christman said that on page 82, it looks like the annual transit subsidy is getting lower. Ebbert said that is what they are working towards.

Dyner asked, how many parking spaces the City could get for \$1,000,000, on page 278, for the North Albany Park and Ride? Staff will get back to him.

Public Works

Public Works Director Diane Taniguchi- Dennis reviewed the Public Works budgets saying that capital funds are 66 percent of their budget.

Dyner asked how much of an increase in personnel the reclassifications would reflect. Dennis said they are between a 3 to 5 percent bump up. She spoke to other personnel issues explaining the reorganization in the Public Works Department.

Street Fund

Christman asked for a map of streets that would be paved. Dennis said that staff would provide that. She mentioned that on page 85, of the goldenrod, line item pages, item #91220, should be moved to item #91238, and item #91244 should be named Albany Station Pathway. Those corrections will be made to the budget.

Sewer Fund

Dyner asked if there was no change to the rate. Dennis said no, there wasn't and that is good financially. They are following the plan as mapped out by the Council.

Johnson asked about contractual services and Dennis itemized them for her.

Water Fund

Dennis mentioned that on page 154, of the goldenrod, line item pages, item #86021, Canal Bank Improvements should be added.

Public Works services

Dennis mentioned that on page 181, of the goldenrod, line item pages, \$18,200 would be added for parts and repairs.

DELIBERATION AND APPROVAL OF 2006-2007 BUDGET

Johnson asked, what happens to the balances for contractual services? Busbice explained that it would depend on the fund, but usually it goes to the fund beginning balances. Johnson's main concern was over budgeting for contractual services. Busbice said that when the new integrated financial system is fully implemented, staff will be getting more specific reports that will allow monitoring on a more specific basis.

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Dyner said that staff is aware of the \$9,000 error between the balance on page 307 and the balance on page 309 for the 2005-06 revised budget. It has been corrected.

MOTION: Johnson moved to approve the resolution for the Proposed 2006-2007 City of Albany Budget with corrections and additions that have been stated. Member Terjeson seconded the motion.

Councilor Reid said this budget adds 14 people to staff. He feels it will be difficult to get the safety levy passed in the fall considering the costs of new people.

Johnson asked, where did funding come from for the additional staff? City Manager Wes Hare said the majority of the new positions are in the Public Works area. Public Works is not funded by taxes. Public Works is funded by other sources, such as utilities, fees, and grants. Other departments have different funding as well. The levy positions for our safety departments do get funded through taxes. Also, times are pretty good right now. We believe it is a responsible budget.

Christman added that the Council needs to remind citizens that the levy will help make Albany a safer place to live. The levy is a response to a public request.

Dyner said it seems it was an effective use of new hiring. He is pleased with various funds including the Parks Department. Nobody seems to be in the red. He would like to see more future planning and wants to prepare for the bubble bursting. He believes the City and money are managed well.

Member Cappalo said people want accountability from their government. This seems like a solid budget. But, he understands Reid's concern.

Reid said a contingency fund is drastically needed. We will be looking for additional bonding capacity. He asked is there anything they can do to make the rate better. Busbice said what this budget reflects and the financial report as well, is stability and that is what the bonding companies want to see. We will be bringing the rating agencies to Albany to encourage a rate increase.

Reid added that no one from the public is at this meeting. The majority of the public does not understand the budget. When it comes to passing the levy, all they will have is guess work and bottom line numbers, and they will see the increases in the budget.

A vote was taken on the motion and it passed 11-1, with Reid voting no, and was designated Budget Resolution Number B 2006-1.

ADJOURNMENT

There being no other business, the meeting was adjourned at 9:25 p.m.

Respectfully submitted by,

Betty Langwell, City Clerk