

CITY OF ALBANY
CITY COUNCIL
Council Chambers
333 Broadalbin Street SW
Wednesday, June 10, 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

ROLL CALL

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

Councilors Absent: None

PROCLAMATION

American Cancer Society Relay for Life

Konopa read the proclamation in the agenda packet. She said the Relay is a great event with many volunteers. She encouraged everyone to check it out and see if they would like to participate.

SCHEDULED BUSINESS

Public Hearings

Declaring the City's eligibility to receive state revenues and election to receive state revenues

Open: Konopa opened the two public hearings at 7:17 p.m.

Finance Director Stewart Taylor reviewed the staff memo. In order to be eligible to receive state revenue sharing, the City provides two opportunities for public comments regarding the use of those monies. The first opportunity was before the Budget Committee on May 7, 2015, and the second opportunity is at these two public hearings. Council is asked to certify by resolution that the City is eligible to receive state revenue sharing, and to state by resolution that the City wants to receive state revenue sharing for Fiscal Year (FY) 2015-2016.

There was no one signed up to speak to the eligibility to receive state revenues (see agenda file) or the election to receive state revenues (see agenda file). Konopa called for public testimony. There was none.

Close: Konopa closed the two public hearings at 7:19 p.m.

MOTION: Councilor Floyd Collins moved to adopt the resolutions. Councilor Ray Kopczynski seconded. The motion passed 6-0, and was designated Resolution Nos. 6419 and 6420.

Adopting the 2015-2016 Annual Budget

Konopa noted that there was a revised resolution on the dais for the adoption of the 2015-2016 Approved Budget (see agenda file).

Open: Konopa opened the public hearing at 7:20 p.m.

Taylor said the Budget Committee met on May 7, 2015, to receive the 2015-2016 Budget as proposed by the City Manager, followed by two additional meetings. The Budget Committee, comprised of the City Council and lay members, completed its work and approved a budget which was forwarded to the City Council. Since that time, Council has heard two items that invite consideration this evening. First, based on an updated calculation of the amount that would be available under a minor amendment, Council approved an increased transfer from Central Albany Revitalization Area (CARA) to the City in support of the public facilities project. Second, an item of discussion at the Council Work Session related to Transient Lodging Taxes (TLT) included a recommendation by the City Manager that a portion of the TLT be used for equipment replacement in Police and Fire. Both of these concepts are reflected in the revised resolution before the Council.

Konopa called for public testimony.

Scott Pierson, 1908 NW Cascade Heights, Budget Committee member, said the City Manager presented the Budget Committee with a breakdown of TLT uses, including possible redistribution toward equipment

replacement. After talking with local hoteliers, he is no longer leaning toward reallocation of the TLT for equipment. Although TLT revenue is up, occupancy is down. He is particularly concerned about the decline in rooms booked in advance and large group business. He doesn't know how this can be fixed; however, he sees this as a drop in the bucket as far as what is needed in terms of Police and Fire equipment replacement, and he thinks that money could be better invested in marketing and tourism to encourage book-ahead and longer stays. Pierson said if he'd had an opportunity to investigate prior to the recommendation, he would probably not have supported the Budget Committee's recommendation. Instead, he would have supported approving the current TLT allocation with a recommendation that the City undertake a review of the TLT allocation process.

There was no one else signed up to speak (see agenda file).

Close: Konopa closed the public hearing at 7:30 p.m.

MOTION: Kopczynski moved to adopt the revised resolution for the adoption of the 2015-2016 Approved Budget and Councilor Dick Olsen seconded it.

In response to a question from Council, City Manager Wes Hare said the TLT is a volatile revenue source and, while it is now at an all-time high, there is no guarantee that will continue into the future. Part of the reason for his recommendation was that under current policy, if not used for equipment replacement, the funds would go to programs that haven't been able to spend the money they have been getting. He thinks it makes good sense over the next year to look at TLT revenue, as well as the issue of equipment replacement.

Councilor Bill Coburn said he thinks it's prudent to adopt the budget; Council would still be able to consider adjustments to the TLT allocation in a future process.

Collins noted the City is transferring money to Linn County toward a consultant to do some of the needed marketing work.

Councilor Rich Kellum added that the project with Linn County to market the Expo includes marketing for multiple night stays, which is what the hoteliers need.

VOTE: A vote was taken on the motion and it passed 6-0 and was designated as Resolution No. 6421.

Adopting the 2016-2020 Capital Improvement Program

Open: Konopa opened the public hearing at 7:37 p.m.

Senior Accountant Jeff Babbitt said the preparation of the Capital Improvement Program (CIP) is a long process that starts early in the year and coincides with the budget process. A joint work session of the City Council, Planning Commission, and Budget Committee was held on April 2, 2015, to review and comment on the draft 2016-2020 CIP document. Following the Work Session, the document was made available for public review. One comment has been received and it is attached to the staff report. Council is asked to consider and adopt by resolution the 2016-2020 CIP.

There was no one signed up to speak (see agenda file). Konopa called for public testimony. There was none.

Collins asked for additional information about the request for a pickleball court. Parks and Recreation Director Ed Hodney said a brand new court might cost around \$40,000 to \$50,000. He suggested that all emerging needs be incorporated into the Parks master planning process with the future CIP to reflect that Master Plan. This is the process that has been used for 10 years, and it would potentially make pickleball courts eligible for System Development Charge (SDCs).

Close: Konopa closed the public hearing at 7:42 p.m.

MOTION: Collins moved to adopt the resolution and Kopczynski seconded it. The motion passed 6-0 and was designated Resolution No. 6422.

Business from the Public

Kasey Tegner, 221 Waverly Drive SE, said that following the public hearing on CP-01-14 and ZC-100-14, she found that most of her neighbors were either unaware or didn't understand the proposal. She said a number of people are in attendance to comment on this issue, and she asked that the public hearing be reopened.

City Attorney Jim Delapoer said the public hearing cannot be reopened for new testimony without new notice so those on the other side have an opportunity to respond. Council could decide to reopen and re-notice the public hearing for a later date.

Second Reading of Ordinance

CP-01-14 and ZC-100-14, amending Ordinance 4447, which adopted the City of Albany Comprehensive Plan Map; amending Ordinance 4441, which adopted the City of Albany Zoning Map; adopting findings for property located at 241 Waverly Street SE; Linn County Assessor's Map No. 11S-3W-05DD, Tax Lot 400, and declaring an emergency

Kellum said he is in favor of the request to reopen the public hearing.

Olsen said he is not in favor of the zone change.

Delapoer said Councilors who were absent from the public hearing would not be qualified to vote on the request unless they have reviewed the record; however, all Councilors could vote on a motion to reopen the public hearing. Another option would be to table the matter to allow Councilors an opportunity to review the record.

Coburn said he would support reopening the public hearing.

Collins said there was a noticed public hearing and testimony was received; he expressed concern about the process and precedent.

Olsen said Council might not reopen a public hearing for one person, but in this case, a fairly sizable number of people either didn't hear about or didn't understand the proposal.

MOTION: Olsen moved to reopen the public hearing and Coburn seconded it.

Hare commented that it is appropriate for Council to exercise discretion and recognize the characteristics of a specific case. He doesn't see this as a dangerous precedent and he doesn't think any harm is done to the future decision by reopening the public hearing. Delapoer agreed.

VOTE: A vote was taken on the motion and it passed 4-2, with Collins and Kopczynski voting no.

Adoption of Resolution

Authorizing the City of Albany to sell the General Obligation Public Safety Facility Bonds that the City's voters authorized on May 19, 2015, and providing for related matters.

Konopa called for discussion or a motion.

MOTION: Johnson moved to adopt the resolution. Kopczynski seconded.

In response to a question from Collins, Taylor said the intent is to go forward in one sale in a competitive bid around the end of July. Collins said the 10-year Treasury is climbing; it would make sense to sell as soon as possible, as low as possible.

Kopczynski asked if staff had a sense of where the rate would come in. Taylor said that, through the process, movement in the rates was anticipated and a cushion was built-in. He is still reasonably confident the rate will be better than what was anticipated in the ballot measure.

VOTE: A vote was taken on the motion and it passed 6-0 and was designated Resolution No. 6423.

Adoption of Consent Calendar

- 1) Approval of Minutes
 - a) April 20, 2015, City Council Work Session
 - b) May 11, 2015, City Council Work Session
 - c) May 13, 2015, City Council Regular Session
- 2) Accepting the abstract of votes regarding the ballots cast in the special election held Tuesday, May 19, 2015, regarding Measure 22-135, a City of Albany Charter amendment authorizing issuance of General Obligation Bonds RES. NO. 6424
- 3) Approving annual liquor license renewals
- 4) Accepting easements from Woodland Square Limited Partnership
 - a) A ten-foot sidewalk easement RES. NO. 6425
 - b) A 4.38 foot by 12.11 foot water easement RES. NO. 6426

Kellum requested that Item 3 be pulled.

MOTION: Kopczynski moved to adopt the Consent Calendar with the exception of Item 3. Kellum seconded. The motion passed 6-0.

Kellum asked if “Three Sheets Brewing” is an actual brewery. Konopa said that is a home-based business located in North Albany.

MOTION: Kellum moved to adopt Item 3. Olsen seconded the motion, and it passed 6-0.

Award of Bids

SS-15-03, 2015 Sewer Rehabilitation Project

Assistant Public Works Director/City Engineer Jeff Blaine reviewed the staff recommendation to award the contract in the amount of \$335,550 to the low bidder, K&R Plumbing Construction Company Inc., Clackamas, Oregon. In response to an inquiry from Kopczynski, Blaine said there are certainly qualified local contactors that chose not to bid. He reviewed the three bids submitted for each schedule of the project.

MOTION: Collins moved to approve the requested action. Kopczynski seconded the motion, and it passed 6-0.

SS-15-02, 2015 Pipe Bursting Projects

Blaine reviewed the staff recommendation to award the contract in the amount of \$540,125 to the low bidder, K&R Plumbing Construction Company Inc., Clackamas, Oregon. In response to an inquiry from Kellum, Blaine said the Engineer’s estimate is \$590,000.

MOTION: Collins moved to approve the requested action. Kopczynski seconded the motion, and it passed 6-0.

Appointment

Appointing Bernard Brown to the Willamette Criminal Justice Council

MOTION: Collins moved to approve the appointment. Kopczynski seconded the motion, and it passed 6-0.

Reports

Sewer Rate and Industrial Permit Increase for July 1, 2015

Blaine gave a slide presentation (see agenda file). He said the purpose is to discuss current rate recommendations, provide updated five-year rate projections, and receive direction for the June 24, 2015, Council meeting. Rate money is used for debt repayment, operations and maintenance, and capital investment in infrastructure. A rate increase is needed to meet O&M and debt service requirements and to stay on track to reach the target for funding annual capital improvements of \$2.6 million per year by FY 2017. In May 2014, staff estimated that a 9% rate increase would be required in July 2015; however, updated revenue and expenditure information indicates a rate increase of 6% will keep the program on track. There is also about \$30 million in high-priority projects which are not included in the rate discussion. Efforts are being made to drive down those costs, and staff will be bringing back a funding plan discussion. If Council wants to start building a reserve to address those needs, they could consider the 9% increase. A 6% sewer rate increase will generate about \$900,000 in additional revenue; a 9% increase will generate about \$1.2 million. He reviewed slides showing amounts customers would pay under each scenario, the five-year actual and projected rates, and a comparison of Albany with other communities.

Following brief discussion, Council directed that staff advertise the public hearing for a sewer rate increase of up to 9%.

Transportation System Development Charge Adjustment

Transportation Systems Analyst Ron Irish reviewed the staff memo. The Transportation System Development Charge (TSDC) fee resolution adopted by Council includes a five-year ramping schedule. If both the fifth step of the ramp and the annual Engineering News Record (ENR) Construction Cost Index adjustments envisioned in the TSDC fee resolution are implemented on July 1, 2015, the list of funded projects in the Transportation System Plan (TSP) will not change. If either of the adjustments is foregone or reduced, the project list will need to be modified. The TSDC resolution indicated that ramp increases would only be implemented with Council action based on an analysis of economic indicators – Oregon personal income and Oregon’s nonfarm employment. A summary of the indicators for calendar years 2011 through 2016 is presented in the written staff report. Projections for 2015-2016 have both economic indicators trending up.

There was general agreement that staff would bring back a recommendation with both the step increase and the inflationary component.

Public Safety Facilities Project Update

Konopa said this update was provided at the last Council Work Session.

It was noted that there is a motion on the table, which failed to pass with four votes at the last Council meeting. If there are not four votes in affirmative or negative, the question is considered again at the next meeting when all members are present.

MOTION: Kopczynski restated the motion: "Any funds received from the sale or transfer of the existing Jackson Street Police facility shall be held in an account until completion of both facilities authorized in the May 19, 2015 election. The net proceeds shall only be used to cover any project costs which exceed the proposed budget of \$24.4 million or in the alternative shall be applied to the General Obligation Bond debt repayment schedule."

Coburn asked if it is possible to make a principal-only bond payment. Taylor said yes, the bond could be structured so there would be no penalty for doing so.

Olsen asked how much the facility is worth. Hare said he was pleasantly surprised by the amount the City received for the old library building when it sold. He can't predict what the City might get for the Police Station.

Konopa said the motion states an intent which could be changed by four votes of Council when the building sells.

Collins said that at the last Public Safety Facilities Committee meeting, he said he would support any revenue received be used to reduce the debt service for the public. This is an opportunity to do that and he supports the motion. Brief discussion followed.

VOTE: A vote was taken on the motion and it passed 6-0.

BUSINESS FROM THE COUNCIL

Kellum said the CARA Advisory Board recently heard a loan request from the owners of Novak's, during which it was stated that an American with Disabilities Act (ADA) bathroom was required on the second floor of their building. He said there is no elevator in the building and he doesn't think that requirement makes sense. He asked that staff investigate whether a second floor ADA bathroom is mandatory.

Johnson said many cities have started addressing the recreational marijuana situation. Hare said a number of communities are making decisions about marijuana facilities; however, the question is whether any of those will survive the state regulations. Council did take action in creating an ordinance that marijuana facilities cannot be located within 300 feet of a residential zone. The question is what will happen in January when the state issues rules about how marijuana can be sold. Konopa suggested that Council wait until the state gives clear direction before taking any further action on this issue.

Konopa said the Woodwind Apartments grand opening will be held June 17, 2015, 1:30 to 3:30 p.m.

Konopa shared a letter from the Oregon Parks and Recreation Department, noting the Albany Hebrew Cemetery is now listed in the National Register of Historic Places.

RECESS TO EXECUTIVE SESSION TO DISCUSS CURRENT LITIGATION OR LITATION LIKELY TO BE FILED IN ACCORDANCE WITH ORS 192.660(2)(h)

The Regular Session recessed to Executive Session at 8:50 p.m.

RECONVENE

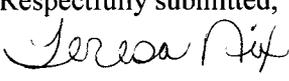
The Regular Session reconvened at 9:20 p.m.

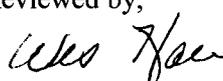
NEXT MEETING DATE

Work Session: June 22, 2015
Regular Session: June 24, 2015

ADJOURNMENT

There being no other business, the meeting was adjourned at 9:20 p.m.

Respectfully submitted,

Teresa Nix
Administrative Assistant

Reviewed by,

Wes Hare
City Manager