

CITY OF ALBANY  
CITY COUNCIL  
Council Chambers  
Wednesday, February 22, 2017  
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: Mayor Sharon Konopa and Councilors Rich Kellum, Bill Coburn, Bessie Johnson, Ray Koczynski, Dick Olsen, and Mike Sykes.

Councilors absent: None.

SCHEDULED BUSINESS

Business from the Public

There was no business from the public.

Adoption of Consent Calendar

- 1) Approval of Minutes
  - a) August 1, 2016, Joint meeting of the Planning Commission, Landmarks Advisory Commission, and City Council minutes.
- 2) Certifying properties exempt from property taxation:
  - a) Songbird Village. RES. NO. 6574
  - b) Periwinkle Place. RES. NO. 6575
  - c) ParkRose Properties. RES. NO. 6576
  - d) 1680-1682 Oak Street SE. RES. NO. 6577
  - e) 515 Geary Street SE. RES. NO. 6578

MOTION: Councilor Bill Coburn moved to approve the Consent Calendar as presented. Councilor Bessie Johnson seconded the motion and it passed 6-0.

Appointment

Appointing Meagan Harsen to the Community Development Commission.

Konopa said Meagan Harsen is in the audience. She thanked her for her willingness to be on this Commission.

MOTION: Johnson moved to appoint Meagan Harsen to the Community Development Commission. Councilor Rich Kellum seconded the motion and it passed 6-0.

Reports

- 1) Purchase exemption – WTP-17-02, Vine Street water treatment plant improvements.

Civil Engineer III Nolan Nelson gave an update on the project. He said they are proposing to use an alternative contract. They intend to make plant-wide improvements, as well as cleaning and testing. There is a leak between filters 9 and 10 that needs to be repaired. The filtration system uses media such as special sands and gravels. In 2007 it was discovered that when one of the two filters is lowered, the other filter lowers too; it is not supposed to do that. It is an indication that something is wrong. The project was added to the Capital Improvement Program (CIP) to be fixed in Fiscal Year 2017-2018. The problem is that in order to analyze the concrete wall, the filter media will need to be removed and it will need to be protected during the project. Under the normal bidding process, they would need to remove the filter, analyze it, put it back, go out to bid, remove the filter again, etc. So instead, staff is proposing the design-build process, using a Request For Proposal (RFP) for a design and construction team to be selected at the same time. That way they can remove the media and immediately design and fix the problem. The advantage is that the process is faster, there is less downtime, a reduced risk of damage, and the best solution can be used for repair.

Nelson said that staff will do the RFP in March. There will be a public hearing on March 22, 2017, with the City Council acting as the local contract board.

Councilor Ray Kopczynski asked, have we done this type of bid process before? Nelson said yes. This is similar to the Construction Manager/General Contractor (CMGC) process, when you have a known problem, whereas this is designing a solution on the spot. Kopczynski asked, could they uncover something that is not in their realm of expertise? Nelson said that the likelihood of that happening is low.

Councilor Mike Sykes asked, how will the contract be awarded, on price or qualifications? Nelson said, on qualifications. Discussion followed about the process. Sykes is concerned that it could be an open-ended bid if the award is based on experience rather than price. City Manager Wes Hare explained that it is not open-ended, because it will still be constrained by the budgeted amount. Sykes pointed out that they don't know the condition of the wall. Nelson said they could halt the project if staff determined that the project was going to be too expensive. Public Works Engineering and Community Development Director Jeff Blaine said there are risks and costs associated with both contracting paths. As to Sykes' concern about the cost being open-ended, Blaine said that the City does not relinquish control by taking this path. First, we identify the preferred candidate, and then we look at the costs. He said, if we think the costs are not representative of the work, then we can negotiate; and if that proves unsuccessful, then we move on to the next person. The initial screening is based on experience and then it will be based on cost. Blaine said the downside to the proposed process is that we haven't looked at the wall yet, but the downside to the other process is that it will be more expensive by having to go through the process twice in addition to creating more downtime.

Councilor Rich Kellum doesn't think this process is without risk, but he doesn't think the risk is too big.

Councilor Bill Coburn said the value with design-build is that you get innovative solutions. In his experience in the private sector, every bid that he did included a price component in who would do the work. They don't know what the fix is, but could they write up specifications to give you some options, rather than awarding just on the criteria? He said, from the contractor's point of view, it was frustrating when bids were just based on prices, because it didn't take into account the design. Blaine said contracting rules are complex; they have to use the Qualifications-Based Selection (QBS), and that process means the City is restricted. They cannot use just cost as a criterion. They pick the top candidates and then negotiate a price. Hare said the Council still has control over how much they spend.

MOTION: Coburn moved to direct staff to bring back a memo and resolution for WTP-17-02, Vine Street Water Treatment Plant Improvements; and set a public hearing for March 22, 2017, for exemption from the competitive bid process. Kopczynski seconded the motion and it passed 6-0.

2) Request to reclassify two positions from Recreation Coordinator to Event and Program Coordinator in the Parks & Recreation Department.

Recreation Programs Manager Katie Nooshazar said this request is to reclassify employees to make their compensation commensurate with their responsibilities. Discussion followed about River Rhythms artists and Summer Sounds Concert Series performers. The annual attendance at Summer Sounds has increased from 4,000 to 18,000 in two years.

Kellum asked if the contracts with entertainers stipulate that entertainers shall not bring people up onto the stage. His concern is that it is dangerous. Nooshazar agreed with Kellum and explained that often they are forced to use the entertainer's contract. We do try to include those types of parameters when we can. We request that every entertainer not bring people up onto the stage, but if they do, it is difficult to enforce. Nooshazar said they also put into the contract that the event is family entertainment. Discussion followed.

MOTION: Kopczynski moved to approve the reclassifications as requested. Kellum seconded the motion and it passed 6-0.

3) Accepting the 2016 Fiscal Year-end audit report.

Kopczynski noted that the Audit Committee had their annual meeting. The City of Albany received a clean opinion and a glowing report. Kopczynski said he asked the auditor how Albany compares to other cities, and the auditor said that he uses Albany as a gold-standard example to other cities. Kopczynski said this is a credit to Finance Department staff, led by Finance Director Stewart Taylor. Ancillary to that is an opportunity to save money by refinancing an existing bond measure.

Taylor said that he just received a notice from Moody's that our rating has been upgraded from A1 to AA3. Taylor explained the categories of ratings by Standard & Poor's and Moody's. Both have AA categories with three designations therein. With Standard & Poor's our rating is AA-, and with Moody's our rating is AA3. So, if we were to issue debt or refinance debt, we would get better pricing. We are looking at our outstanding debt to see if there is an opportunity to refinance. Taylor said that one notch on the rating scale can be worth up to 50 basis points, which is a margin worth looking at.

Taylor said there was a change in our reporting in Calendar Year 2016. We have accrued revenues in 12 one-month periods, in the month received. It is more correct, according to Generally Accepted Accounting Principles (GAAP) standards, for revenues to be accrued when they were generated. Albany has been recording June revenues in July and August, but the auditor wants us to move them back to the month of the transaction, which is June. This accounting change to be in line with GAAP will create one month's worth of accrued revenues, or about \$500,000, that we did not have before.

Taylor recommends that the best use for the funds is to replace the City's financial software. Several years ago the City purchased Eden software. Eden was purchased by Tyler Technologies and they continue to provide support, but Tyler has a new proprietary product that they are encouraging the City move to. We are starting to run into issues with Eden, since we are already 11 years into the software, and software generally has a 12-year lifespan. Tyler is the leader in financial software, and offers a product called Munis. We have an Intergovernmental Agreement with Corvallis for our staff from the Information Technology (IT) Department to draft their RFPs, and they selected Munis through a competitive process. Their contract was \$1 million and they are still negotiating. Tyler gave a demonstration of Munis at Corvallis, and Albany staff attended. Other agencies using Munis are Deschutes County, Benton County, Bend, Hillsboro, Forest Grove, Ashland, and Wilsonville. Benton County will pay just \$300,000 after credits received since they are already on Eden. Taylor said we can expect savings too, for the same reason. He has been aware of this opportunity, and given the change in accounting methodology, it is timely to take advantage of it now. We would like to pursue the RFP process. We anticipate Munis will rate high, especially given credits we are likely to receive. As IT finishes the CAD-RMS implementation with the Albany Police Department (APD), we have a window to review this project. Kopczynski said that some City staff are already familiar with Munis. Taylor said Assistant City Manager/Chief Information Officer Jorge Salinas and IT Project Manager Sean Park are very shrewd negotiators and do a good job. This would come back to the City Council for a decision through the purchasing process.

Kellum asked about the timeframe involved. Taylor said that the RFP could be let before the end of June 2017, but the purchase would take place in the next fiscal year. Taylor said that Benton County has already built the bridge from Eden to Munis, and their budget string is similar to ours. The lifecycle of software is 7-10 years. Tyler is not selling the Eden product anymore; all their sales are shifting to Munis.

MOTION: Kopczynski moved to accept the 2016 Fiscal Year-end audit report and to have staff move forward with the acquisition of a new financial information system. Coburn seconded the motion and it passed 6-0.

#### BUSINESS FROM THE COUNCIL

Coburn said there is a speed bump on 13th and Hill Street. APD set a speed trailer there. He asked staff for an update. Blaine said the request for speed bumps in other locations in the city has been passed on to Transportation Systems Analyst Ron Irish. Hare said that we do establish criteria for traffic control devices, although he doesn't know that the City has done that for speed bumps. It is likely that speed bumps would be used on arterials, not collectors. The best way to control speed is by good traffic enforcement. The data is overwhelming that what works more than signs, is drivers getting tickets. Blaine said he will have Irish send an email to the City Council on the subject.

Olsen noted that with all the rainfall, there was no flooding in his basement, thanks to City engineers.

#### Hospital Facility Authority (HFA)

Konopa asked City Clerk Mary Dibble to update the Council on the Hospital Facility Authority (HFA) Board and the Statement of Economic Interest (SEI) filings the Oregon Government Ethics Commission (OGEC) requires to be filed. Dibble explained that although the HFA last met in 2004, the City must still continue to appoint members to the HFA Board, and those members must file SEIs annually with the OGEC until the debt is paid. The debt is the responsibility of the Mennonite Village, and the relationship between the City and that entity is described in ORS 441.532. Dibble said that she and Taylor learned that the debt will be paid in 2020; at that time, the HFA can be dissolved.

#### U of O Sustainable City Year Program

Hare recalled that the Council authorized up to \$250,000 for the U of O Sustainable City Year Program. They are now in their last term of work and if they were to do all the work identified it would cost \$254,000, which would exceed the cap. The Council has two options: to spend the \$4,000 to include the last Parks & Recreation-related project to identify additional revenues, for a total of \$254,000, or the students will stop their work now. Hare said Parks & Recreation Director Ed Hodney would prefer that the Council exceed the cap, but he also understands that the Council may not want to exceed the budget. Konopa thinks this is a great investment. Hare noted that the funds are budgeted in the Parks & Recreation budget. Other projects ended up costing slightly more than projected. Blaine noted that there were more projects than the City had money for, and with each school term the projects were matched with the students. There were many projects that weren't done because there wasn't a good match for students, and it is possible that some that was chosen ended up costing more than expected.

Coburn said he sat in on presentations and he sees the value. The students had novel ideas such as naming rights. He was impressed with the students' work.

Kellum wants to see the reports. Hare said there have been presentations to public and staff. Blaine said staff can provide a summary of the work done the first term and for the next four months at a work session.

MOTION: Coburn moved to increase the U of O Sustainable City Year Program limit by \$4,000 to \$254,000. Kopczynski seconded the motion and it passed 6-0.

#### Stormwater Billing

Blaine noted that the new stormwater rates will go into effect on March 1, 2017. There will also be decreases to water and sewer rates. Blaine said staff reviewed the common themes to successes and failures of stormwater utility implementation across the country. One of the key success strategies is to have the elected officials prepared for the volume of complaints when the first bills go out, and for the elected officials to trust in the process that they went through to develop the program. Blaine said that Lebanon staff indicated it was a full year before Lebanon utility customers adjusted to stormwater rates and the number of calls received by their staff went back to normal. Blaine said more public outreach went into the stormwater utility project than any other project he had been part of to date. Hopefully, there will be more public acceptance, but with 52,000 citizens, it is likely there will still be people who are unaware of the new service charge. Blaine said they have used bill stuffers, the newspaper, and advertisements to notify citizens. He passed out a memo regarding Stormwater Service Charge Implementation (see agenda file) that summarizes public outreach, including some events planned for the future.

Blaine said the website has a well-organized tabs regarding stormwater, and Utility Billing staff is prepared to answer questions. The first bills with the new rate increase will be prorated. The proration information has been provided in many formats and forums. The bills will also have a text box explaining the proration. The average single family residential stormwater is \$6.74 per month. Discussion followed.

NEXT MEETING DATE: Work Session: Monday, March 6, 2017; and Regular Session: Wednesday, March 8, 2017

#### ADJOURNMENT

There being no other business, the meeting was adjourned at 8:22 p.m.

Respectfully submitted,

Reviewed by,

Mary A. Dibble, MMC  
City Clerk

Stewart Taylor  
Finance Director