



**MINUTES**

Monday, May 20, 2019

Work Session

Council Chambers, City Hall

Approved: June 26, 2019

CALL TO ORDER

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

ROLL CALL

Councilors present: Mayor Sharon Konopa and Councilors Rich Kellum, Bill Coburn, Alex Johnson II, Dick Olsen, and Mike Sykes

Councilors absent: Bessie Johnson was excused. Rich Kellum arrived at 4:25 p.m.

BUSINESS FROM THE PUBLIC

Jay Burcham, 1635 27th Avenue SW, said he has heard that four police department positions will be laid off or frozen in Fiscal Year (FY) 2019-2020, and seven positions the next FY. He asked if that is accurate.

Deputy City Manager/CIO Jorge Salinas said some positions will be frozen, but he doesn't think there will be layoffs.

Burcham said he's concerned about laying off or freezing police positions. He appreciates the difficulty of a budget shortfall and knows the budget committee and council are making difficult decisions. He thinks in many cities the reaction is to lay off people. He doesn't want to see that here. He encouraged the council to look for different solutions.

INFLATIONARY ADJUSTMENTS FOR PUBLIC WORKS FEES AND CHARGES **4:11 p.m.**

Engineering Manager/Assistant City Engineer Rob Emmons said the Engineering News Record cost index has risen 4.71 percent this year. The usual inflation rate is 1 to 3 percent. The council reviews and makes inflationary adjustments annually to public works fees. Three fees remain to be adjusted this year: transportation systems development charges, connection charges, and the post-construction stormwater quality fee. Since the connection charges were adjusted mid-year they were indexed to September 2018 which results in a partial year inflationary increase of 4.26 percent. If the council prefers to consider a different adjustment, staff would like direction now, so they can prepare the appropriate resolutions for the June 12, 2019, public hearing.

The council agreed that the increases should be brought to the public hearing as proposed.

UPDATE ON WILLAMETTE BASIN TOTAL MAXIMUM DAILY LOAD **4:17p.m.**

Wastewater Superintendent Kristin Preston introduced Environmental Services Manager David Gilbey. She showed PowerPoint slides with information on the Willamette Basin Total Maximum Daily Load (TMDL) order (see agenda file). Preston summarized the purpose and history of Albany's TMDL implementation plan. Albany's wastewater treatment plant's discharge permit expired in 2005, and has been administratively extended since then, pending renewal by the Oregon Department of Environmental Quality (DEQ). It isn't certain when the permit will be renewed or what requirements will be included.

Now that Albany has passed 50,000 population, it is required to apply for a National Pollutant Discharge Elimination System (NPDES) Phase II Municipal Separate Storm Sewer System (MS4) stormwater permit. Albany and five other communities have filed a petition for judicial review of the permit requirements, which they feel are unreasonable. Staff will keep the council informed of the status of the legal action.

Albany last updated its TMDL implementation plan in 2018. No new activities were added, but some that were completed or ineffective were removed or modified. Preston listed highlights of the first 10 years of implementation. The DEQ approved the 2018-23 plan in June of 2018. Public Works will continue to work with other departments, as well as with Linn and Benton counties, the Linn Soil and Water Conservation District, and the Calapooia Watershed Council.

PROPOSED CONSTRUCTION OF PICKLEBALL COURTS AT LINN-BENTON COMMUNITY COLLEGE **4:34 p.m.**

Parks & Recreation Director Ed Hodney asked the council to authorize the city manager to sign a memorandum of understanding (MOU) for construction of pickleball courts at Linn-Benton Community College (LBCC). Hodney said, for the parks department, operating costs are harder to fund than capital costs. The proposed

agreement would shed maintenance and operating costs to LBCC. Construction of the courts is approved and the money is available in the proposed budget. Parks looked at two possible sites, Timber-Linn Memorial Park and LBCC. Building at Timber-Linn would take longer and cost more than building at LBCC. LBCC already has the infrastructure, a set of unused tennis courts.

Councilor Rich Kellum asked, if pickleball will be a scheduled activity for LBCC, how easy will it be for members of the community to get court time? Hodney said an intergovernmental agreement will provide for annual scheduling of shared use.

The council discussed other courts available in the city, and their usage.

Kellum moved to authorize the city manager to sign the MOU. Councilor Mike Sykes seconded the motion, which passed 5-0.

ALBANY MUNICIPAL CODE AMENDMENTS FOR TRANSIENT LODGING TAX COLLECTION  
**4:52 p.m.**

Economic Development Manager Seth Sherry asked the council for direction to update the Albany Municipal Code (AMC) as it relates to collection of transient lodging tax (TLT). As written, the AMC only applies to motels and hotels with six or more units, leaving out many smaller and non-traditional types of properties. The TLT Advisory Commission recommends updating the AMC to include all transient lodging facilities. There are roughly 100 Airbnb properties in Albany currently. A year ago, there were 22. A conservative estimate of the increased revenue is \$40,000 to \$50,000 annually.

Councilor Alex Johnson II moved to direct staff to update the AMC for TLT collection. Kellum seconded the motion. There was further discussion about inspections, reporting, and auditing.

Johnson II left the room at 4:57 p.m.

The motion passed 4-0.

BUSINESS FROM THE COUNCIL  
**4:58 p.m.**

Kellum said he had talked to Burcham about ideas for saving money, and they had made a list.

Johnson II returned at 4:59 p.m.

Kellum read the list of his and Burcham's ideas (see agenda file):

- Ask the school district to fund a larger part of the cost of school resource officers.
- Examine our funding agreement with GAPS for the Albany Community pool.
- Close Maple Lawn Preschool
- Raise the FireMed membership fee.
- Offer a bonus to staff for cost-saving ideas.
- Combine parks and recreation and the library.
- Extend the service life of City vehicles.
- Under-levy CARA.
- Combine Albany Police dispatch with Linn County 9-1-1.

Johnson II said he's talked to people about a FireMed increase. He suggests a graduated increase of a few dollars a year and grandfathering current memberships.

Sykes said the state wants to combine 9-1-1 centers. We might be able to get help with that from the state.

ALTERNATIVE REVENUE SOURCES – Mayor Konopa  
**5:09 p.m.**

Konopa said we have two options: we can start cutting services, or we can start looking for alternative sources of revenue. The council should ask staff to start the process to increase franchise fees, and also to impose a utility fee. The council should also start looking at increasing planning division fees.

Kellum thinks there's a third, non-optional response: increase efficiency. City staff knows better than the council where efficiencies can be found. We need to be efficient whether or not there's a budget problem.

Sykes said until PERS is dealt with we'll always be looking for more money for it. We need to start fighting with the state legislature. They're the ones causing the problem.

Kellum left the room at 5:15 p.m.

Finance Director Jeanna Yeager said the state is taking some steps to solve the PERS problem, and we'll start seeing significant savings.

Kellum returned at 5:17 p.m.

Sykes said before the council raises fees for the citizens of Albany, the citizens need to have a say.

Konopa said the council is elected to make tough choices and implement fees. We don't go to the voters for all fees. Why should we go to the voters only for a utility fee?

Olsen suggested asking staff to look at utility fees in other cities and report back to the council.

Coburn said he's frustrated that the first idea is to raise taxes. Franchise fees show up on citizens' utility bills. Some people can't afford any increase at all. He likes what Corvallis did in putting library and parks levies on the ballot. He has no problem asking the voters for more money. He said if we consider a fee increase, there should be a defined use for the increased revenue.

Salinas said some of the recommendations he's heard will take more time than we have available for this year's budget. He's hearing some direction to look at franchise fees. He would like the council to tell staff which of Kellum's list of ideas they should start with. Konopa suggested that staff do a paragraph-long evaluation for each of the items on Kellum's list.

Coburn said a utility fee is new. If we want to do a utility fee we need to do outreach and have a defined need. The council expressed no interest in considering a utility fee now. They discussed utility fees and bond levies and the time available for this FY.

Blaine said he had a text from City Manager Peter Troedsson, who is out of town. Blaine said Troedsson is thinking of having a conversation with the council to create a matrix to identify and categorize the ideas proposed for cutting costs and raising revenue. The matrix could be used in a workshop setting to assess the council's priorities for expenses and funding, instead of repeating the discussions already held in the budget committee. The council agreed this was a good idea.

Yeager said an error has been found in the general fund revenues of the proposed budget. Allocations to departments were made based on two one-year budgets, so beginning fund balances were counted twice. There is not as much money in the general fund as we thought, and we will have to backfill from contingency funds. The City's auditors will look at the budget before it comes to the council to make sure it's absolutely accurate.

Konopa said she and Councilor Bessie Johnson will not be at the ARA budget meeting tomorrow night (May 21, 2019). Coburn said he won't be there, either.

Blaine mentioned that the community development department does the same annual adjustments for fees that public works does, as discussed by Emmons earlier. The planning fee adjustment public hearing will be held in June. Last year's adjustment roughly covered the cost increase for reviews. Using the CPIW this year will not keep up with costs. He suggested raising the inflationary adjustments to cover review costs and splitting the increase so half would be implemented July 1, 2019, and the other half January 1, 2020. The council agreed that staff should bring both proposals to the public hearing in June.

#### CITY MANAGER REPORT

There was none.

#### ADJOURNMENT

There being no other business, the meeting was adjourned at 5:54 p.m.

Respectfully submitted,

Reviewed by,

Allison Liesse  
Deputy City Clerk

Jorge Salinas  
Deputy City Manager/CIO

*Note: Staff handouts referred to in the minutes as (see agenda file) are available on the website in the "Staff Handouts" column.*