



**MINUTES**

Monday, June 10, 2019

Work Session

Municipal Courtroom, City Hall

**Approved: July 24, 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, Alex Johnson II, Dick Olsen, and Bill Coburn

Councilors absent: Councilors Bessie Johnson and Mike Sykes were excused.

BUSINESS FROM THE PUBLIC

Rebecca Bond, Albany Visitors Association, shared a visitor handout (see agenda file).

BRANDIS PLOT 3 CONTRACT EXTENSION

**4:02 p.m.**

Economic Development Manager Seth Sherry shared a map of the plots (see agenda file). The buyer is requesting an additional two months on their contract and is offering an additional \$65,000 in nonrefundable earnest money, bringing the total to \$320,000.

Councilor Alex Johnson II asked about the intended use of the property. Sherry responded that the property will be for commercial use.

Councilor Rich Kellum expressed concern that the buyer might not be able to follow through with the project.

Sherry responded that the buyer understands the concern and would be flexible on the increase of non-refundable earnest money.

Councilor Bill Coburn moved to accept the modified terms to the sale agreement. Johnson II seconded the motion, which passed 4-0.

STREET FUNDING

**4:07 p.m.**

Public Works Engineering and Community Development Director Jeff Blaine shared information on street maintenance funding (see agenda file), summarizing public outreach. Staff is looking for direction from the council on what to do next.

Kellum asked how many people we got through to with our outreach. Blaine said service club presentations probably reached 50 to 60 people. He doesn't know how many hits the website has received. The *City Bridges* newsletter is distributed to about 14,000 people.

Councilor Dick Olsen asked about how receptive people were. Blaine said he thinks people were very understanding. Some were surprised.

Blaine discussed funding alternatives. He said the general fund money is targeted at streetlights. During the recession, the street fund started paying that part of the streetlight costs. He said in the early 2000s, franchise fees were directed from the street fund to the general fund. This is the most common model in Oregon.

Blaine added that general fund refers to streetlights. Now, lights are funded in half by the general fund and half by the street fund. Franchise fees refer to fees paid by franchisees like Pacific Power and Northwest Natural based on revenue. Historically, with this revenue-sharing model, much of the income went to street fund. One of our options would be to redirect franchise fees directly to streets, which would impact the general fund. In-lieu-of fees go 100 percent to the street fund. They are at 5 percent. Most franchise fees are now at 7 percent. The council could choose to raise sewer and water in-lieu-of franchise fees to match the other franchises. The downside would be that the water and sewer funds would not receive that additional income.

Kellum asked how franchise fees are used and accounted for in projects. Blaine said franchise fees aren't accounted for separately.

Blaine discussed the idea of a fuel tax, which could bring in about \$750,000 per year at three cents per gallon. When a fuel tax was last put on the ballot, it was defeated, but it could be brought up again.

Blaine said a general obligation bond would be a good tool to do one-time investments in streets that have already failed. Staff doesn't recommend local improvement districts for arterials and collectors. They might be a good option for funding specific projects on local streets.

Johnson II asked if the Oregon Department of Transportation (ODOT) participates in funding street work on arterials and collectors. Blaine said they participate indirectly, but no state roads are on our list.

Coburn asked where gas tax money would go. Blaine said it would go first to maintenance.

Blaine asked if the council is willing to pursue the funding discussion. He asked if they have any preferred alternatives in mind, and whether they want broader community involvement before moving forward. Staff thinks community involvement is advisable and suggests a task force.

Konopa said that a task force could delay the process taking up to a couple of years. There are many street funding models already being used across the state. She suggests selecting one as a model for Albany, then reach out to the community for input. The result could be presented to the council for decision.

Konopa said people like the idea of a utility fee, because it also applies to tax-exempt properties. Kellum said developers will add utility fees to the price of the houses they build.

Coburn said he'd like to see what Corvallis is doing. They have a transportation fee. Discussion followed about Corvallis's program.

Kellum said he wants the council to continue discussion and public outreach. Coburn agreed. He would like to look at the options. Whatever is decided needs to be sustainable.

Blaine asked if "models" refers only to transportation utilities, or how other communities do transportation and street funding. How we ask the questions will determine what the responses are.

Kellum said he doesn't think it makes a difference. We're looking for ways to get money, not for information on how others spend it.

Konopa thinks we also should gather information on public safety and parks and recreation fees.

Johnson II said he's concerned that not everyone can afford a fee. He has senior clients who don't drive and can barely afford their medications. He thinks any fee should be graduated.

Blaine reminded the councilors of the low-income assistance program already in place for City utility charges.

The council directed Blaine to collect information from other communities and bring it back to the council.

#### BUSINESS FROM THE COUNCIL

4:54 p.m.

Kellum said he will bring in a traffic plan and map for River Rhythms on Wednesday, June 12.

Olsen said he attended a Council of Governments meeting in Corvallis about park and ride. Albany isn't as involved with park and ride as other cities. He met someone at the meeting who told him how much she enjoys downtown Albany.

Konopa mentioned that she has heard positive comments about Albany on a recent visit to Idaho.

City Manager Peter Troedsson said the recording equipment in the council chambers is malfunctioning and video can't be uploaded to Channel 28.

Troedsson also said that on Wednesday afternoon there will be a joint litigation committee meeting to discuss developments in the case against CH2M Hill. The council should consider a replacement for Councilor Kopczynski on that committee.

Olsen volunteered to replace Kopczynski.

#### CITY MANAGER REPORT

There was none.

#### ADJOURNMENT

There being no other business, the meeting was adjourned at 5:01 p.m.

Respectfully submitted,

Reviewed by,

Cameron Broadbent  
Recorder

Peter Troedsson  
City Manager

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