



MINUTES

Wednesday, May 27, 2020
Regular Session
REMOTE

Approved: July 8, 2020

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Mayor Sharon Konopa called the meeting to order at 7:15 p.m. The mayor led the pledge of allegiance.

ROLL CALL

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

Councilors absent: None.

BUSINESS FROM THE PUBLIC

The city received several public comments (see agenda file). All were forwarded to the council. Comments were received from: Thad and Shannon Olivetti; Greg Johnson, Comfort Suites; Oregon Main Street; The Natty Dresser; Rod Bigner, Pix Theater; Willamette Valley Visitors Association; Historic Carousel & Museum; Oregon Restaurant & Lodging Association; Albany Visitors Association; Visit Corvallis; Travel Oregon; Oregon Destination Association; Randy Joss, TV Marketing Consultant; Phoenix Inn Suites; and Gabriel Anderson.

City Manager Peter Troedsson said Albany Downtown Association (ADA) Executive Director Lise Grato and Albany Visitors Association (AVA) Executive Director Rebecca Bond were available to answer questions.

The mayor asked if there was anyone else from the public wished to speak. No one did.

FIRST READING OF ORDINANCES

- a. Amending Albany Municipal Code 3.14.020 – 3.14.050, Transient Room Tax.

City Attorney Sean Kidd read the ordinance for the first time in title only: AN ORDINANCE AMENDING ALBANY MUNICIPAL CODE (AMC) SECTION 3.14.020 THROUGH 3.14.050, TRANSIENT ROOM TAX, BY REMOVING CERTAIN EXEMPTIONS.

MOTION: Councilor Bill Coburn moved to have the ordinance read for the second time in title only. Councilor Rich Kellum seconded and the motion passed 6-0.

Kidd read the ordinance for a second time in title only.

MOTION: Coburn moved to adopt the ordinance. Councilor Alex Johnson II seconded the motion, which passed 6-0 and was designated Ord. No. 5942.

- b. Increasing NW Natural Gas privilege tax.

Finance Director Jeanna Yeager said the council directed staff to increase this tax rate from 5% to 7% so that it is in alignment with other agreements.

Kidd read the ordinance for the first time in title only: AN ORDINANCE OF THE CITY OF ALBANY, OREGON AMENDING ALBANY MUNICIPAL CODE CHAPTER 5.36, NATURAL GAS UTILITY, AMOUNT.

MOTION: Councilor Mike Sykes moved to have the ordinance read for the second time in title only. Johnson II seconded and the motion passed 6-0.

Kidd read the ordinance for a second time in title only.

MOTION: Kellum moved to adopt the ordinance. Johnson II seconded the motion, which passed 6-0 and was designated Ord. No. 5943.

ADOPTION OF RESOLUTIONS

7:25 p.m.

- a. Accepting CARES Act funding for Albany transit.

Public Works Operations Director Chris Bailey said the Albany Transit System (ATS) is a small urban transit, so it qualifies for \$2.8 million from CARES. No local matches are required and there is no expiration date. Albany will draw down the funds over the next two or three fiscal years.

MOTION: Johnson II moved to adopt the resolution. Councilor Bessie Johnson seconded.

Kellum wanted to go on record saying it bothers him when we move money from one pocket to another (federal to local).

VOTE: The vote passed 5-1 with Kellum voting no. The resolution was designated Res. No. 6891.

- b. Authorizing financing of systems development charges for 3454 Oak Grove Way NW.

7:22 p.m.

Yeager explained that the city offers financing for assessments at a rate of 6.55 percent. The city takes a lien against the property to ensure the assessment is paid off if the property sells.

Sykes asked why the city collects System Development Charges (SDCs) if the city can't afford to build parks. He wants to discuss parks SDCs in the future.

MOTION: Johnson moved to adopt the resolution. Kellum seconded the motion, which passed 6-0 and was designated Res. No. 6892.

AWARD OF CONTRACTS

- a. Auditing services to Boldt, Carlisle + Smith LLC.

Yeager said according to Government Finance Officers Association (GFOA) best practices, alternating audit firms is a good idea. In this case, there were only two proposals. To follow procurement rules the city cannot prohibit Boldt, Carlisle + Smith from submitting a proposal. They came out ahead in the scoring. Staff removed the extensions. GFOA recommends five years or longer, so the city set it at five years.

MOTION: Kellum moved to adopt the resolution and Johnson seconded. The motion passed 6-0 and was designated Resolution No. 6893.

- b. Utility bill printing and mailing services to InfoSend, Inc.

Sykes asked why the city is contracting out for this service rather than doing it in house. IT Project Manager Sean Park said it required expensive equipment. The service prints and mails 20,000 bills a month and is compatible with the city's new utility billing software system.

Johnson II asked if there was a competitive bidding process. Park described the formal process; four proposals were submitted.

MOTION: Johnson moved to adopt the resolution and Johnson II seconded. The motion passed 6-0 and was designated Res. No. 6894.

APPROVAL OF AGREEMENT

- a. Albany-Millersburg stormwater intergovernmental agreement (IGA).

Bailey said the city has existing IGAs with Millersburg for water and wastewater. The stormwater IGA will charge the fully burdened staff rate, equipment rate, and a percentage SCADA software license fees.

Discussion followed about what the fully burdened rate includes and how it is calculated. The council is concerned that the city is reimbursed for all its costs; Bailey said the burdened rate reflects that. She will bring details about how the rate is calculated to the next council meeting.

ADOPTION OF CONSENT CALENDAR

- a. Approval of minutes
- 1) March 18, 2020, special session.
 - 2) March 30, 2020, work session.
 - 3) April 22, 2020, meeting.
- b. Adoption of resolutions
- 1) Release part of an easement, Pacific Cast Technologies.

RES NO. 6895

- c. Recommendation to OLCC
- 1) Approve off-premises sales liquor license application for Denny's, 3430 Spicer Drive SE.
 - 2) Approve off-premises sales liquor license application for Taqueria Alonzo, 250 Broadalbin Street SW.

- 3) Approve off-premises sales liquor license application for He Got All the Whiskey, Inc., DBA Albany Liquor, 2350 Pacific Boulevard SE.
- 4) Annual liquor license renewals.

Action: Coburn moved to adopt the consent calendar as presented. Johnson II seconded and it passed 6-0.

STAFF REPORTS

- a. Reclassification request, facilities maintenance electrician, public works.

Bailey said this is a reclassification for a current facilities electrician position. The benefit to the city is the position can take out electrical permits for the city rather than our paying a contractor to do so. Another benefit is the design and build of electrical control cabinets. Both provide cost savings for the city.

Following discussion about several examples of personnel reclassifications or reductions that resulted in savings, Kellum suggested staff announce those during council meetings for the benefit of the audience.

MOTION: Johnson II moved to approve the reclassification of 1.00 FTE Facilities Maintenance Electrician to Automation and Controls Electrician as outlined in the staff report. Sykes seconded and the motion passed 6-0.

- b. Transient lodging tax funding discussion.

8:10 p.m.

Economic Development Manager Seth Sherry explained that due to the COVID-19 pandemic, there are unprecedented lows in travel that are affecting stays at hotels, and therefore transient lodging tax (TLT) revenues. Going into 2020-2021, TLT revenues are projected to be just 40-50 percent of normal for the state. To compound the problem, Albany is in the middle of a biennium and the two-year budget was built around projected revenues.

To balance the economic development budget, Sherry proposed two ideas: alter the timing of allocations to TLT revenue recipients, and make temporary cuts this coming year:

- 1- Sherry proposed moving from yearly to quarterly allocations, based on the previous quarter's actual TLT revenues received, instead of what was projected annually. The percentages would not change, so each agency's slice of the pie would remain the same. If we continue to base allocations on projections instead of what we have received, we will end up with a bigger deficit.
- 2- Consider temporary cuts for this coming FY in order to balance the budget.
 - a. \$153,000 - NW Art & Air Festival has been cancelled.
 - b. \$48,000 - Collaborative promotion tourism grant could be held back this fiscal year and be revisited next year.
 - c. \$72,000 - Airport capital improvements. This would not impact airport operating revenues. This is typically used for matching grant funds and capital improvements, and none are anticipated this year.
 - d. \$40,000 - Overtime costs for public safety at large events which have been canceled. This is a partial reduction.
 - e. \$19,000 - Trolley since events have been canceled. This is a partial reduction.
 - f. \$42,000 - AMEDC partial contract reduction. Sherry is having discussions with AMEDC and their other partners about what next year's contract might look like.

Sherry said the city is still committed to economic development and has been actively engaged with the future of regional collaboration. The city needs to augment our own economic capacity to attract and retain business. But due to the financial impact of the coronavirus, it would be irresponsible to spend revenues we don't have while trying to balance the budget.

Konopa thinks quarterly allocations based on previous quarter revenues is a good strategy. She agrees with the cuts as proposed, but it would be helpful if Sherry provided a comparison of what is existing vs. what is proposed. Kellum agreed.

Before agreeing to Sherry's second recommendation for cuts to programs, Kellum wants to hear from all the partners about what they are doing to save money. Parks, Fire, and Police have taken a big hit and plan to lower costs, so Kellum wants to hear what the other agency's

plans are going forward with the reduced funds. Sherry can get that information from the agencies and bring it back to the council.

Coburn also agrees with the first recommendation. He would like to get input from the TLT Committee.

Johnson II is the city's liaison for ADA. They've already cut 40 percent and applied for two grants. If we cut them to the point they can't operate, we won't get people back to Albany. We need to be cautious and very controlled.

Sykes said we are in an economic downturn and we don't know how long it will last. He is concerned about reducing advertising and the business that Albany might lose as a result.

Konopa wants staff to get clarification from the state on grandfathering and if TLT revenue rates should be 53 percent or 70 percent.

Bond said the letters received by the council demonstrate the importance of tourism for the economy. Economic development has many different facets and needs a diversified portfolio. She described cuts being made and possible opportunities

Grato appreciates the current position the city is in with funding challenges. She is concerned with the gap if funding will be based on low previous quarters. She is looking forward to building downtown Albany back up to where it needs to be and working with the city to make that happen.

Troedsson said staff will provide the council with the figures and totals they've requested. He reiterated that this is not a cut in percentages, with the exception of city programs that have been canceled. But if the pie is smaller, and the percentages remain the same, it results in less money, which is a sad reality. We don't have anything to augment that with. Troedsson thinks Sherry's two-prong approach is an appropriate way to address the problem.

BUSINESS FROM COUNCIL

Konopa said the large styrofoam duck is back in Waverly Lake.

BUSINESS FROM CITY MANAGER

Troedsson said the council's next meeting will be in person for the council, but virtual for the public due to continued limitations on spaces and gathering.

NEXT MEETING DATES

Wednesday, June 10, 2020, 7:15 p.m. council meeting

Monday, June 22, 2020, 4:00 p.m. work session

Wednesday, 10, 2020, 7:15 p.m. council meeting

ADJOURNMENT

There being no other business, the meeting was adjourned at 8:53 p.m.

Respectfully submitted,

Reviewed by,

Mary Dibble
City Clerk

Peter Troedsson
City Manager