ALBANY CITY COUNCIL

AGENDA

Monday, July 6, 2020

This meeting will be conducted virtually. At 4:00 p.m., join the meeting at:
https://www.gotomeet.me/cityofalbany/ccm
You can use your built-in microphone or dial in using your phone.
Toll free: 1-646-749-3129
Access code: 491-970-829

Microphones will be muted and webcams will be turned off for presenters and members of the public unless called upon to speak.

If participant(s) disrupt the meeting, the participant(s) microphone and webcam will be turned off.

If disruption continues, the participant(s) will be removed from the meeting.

4:00 p.m. Call to order and roll call

4:05 p.m. Business from the public

Persons wanting to address the council during "business from the public" must send their written comments by email to cityclerk@cityofalbany.net. Please limit comments to one page and include your name and address. Emails received before noon on the day of the meeting will be included in the record.

4:10 p.m. Parks and recreation fee adjustments discussion – Kim Lyddane. [Pages 2-6]
Action Requested: Information, discussion, direction.

4:25 p.m. Fire and life safety fee adjustments discussion – Shane Wooton. [Pages 7-11]
Action Requested: Information, discussion, direction.

4:40 p.m. Planning fee adjustments discussion – David Martineau. [Pages 12-16]
Action Requested: Information, discussion, direction.

4:55 p.m. Public works fee adjustments discussion – Rob Emmons. [Pages 17-19]
Action Requested: Information, discussion, direction.

5:10 p.m. Recess to executive session to discuss employment evaluation per ORS 192.660(i).

5:30 p.m. Reconvene

5:35 p.m. City manager report

5:50 p.m. Adjournment

Due to Governor Brown's Executive Orders limiting public gatherings during the COVID-19 pandemic, this meeting is accessible to the public via phone and video connection.

cityofalbany.net

MEMO

TO: Albany City Council

VIA: Peter Troedsson, City Manager 7/2

FROM: Kim Lyddane, Parks & Recreation Director

DATE: June 24, 2020, for the July 6, 2020, City Council Work Session

SUBJECT: Parks & Recreation Fees for Fiscal Year 2020-2021

Action Requested:

At the July 22, 2020, City Council meeting, the Council will be asked to adopt the attached resolution repealing Resolution 6819 and establishing Parks & Recreation fees and charges for Fiscal Year 2020-2021.

Discussion:

The Parks & Recreation Department annually reviews the costs of delivering our services, as well as the revenues used to pay for them. Prices are adjusted as necessary to cover expenses and meet our financial objectives. The Fiscal Year 2020-2021 budget incorporates these price changes into the anticipated revenues for next year.

For Fiscal Year 2020-2021, adjustments have been made to fees for the Frequent Customer Card, Aquatics programming, and rentals. These fees were last increased for BN 2019-2021. Due to the budget situation, fees need to be modified before the end of the biennium to keep up with rising costs and address the anticipated shortfall.

Exhibit A shows the proposed fees for Fiscal Year 2020-2021. These fees and charges will be set through June 30, 2021.

Budget Impact:

The proposed Fiscal Year 2020-2021 budget for the Parks & Recreation Fund (202500) is in flux due to the COVID-19 pandemic. Currently, revenues generated through program fees, rentals, and sponsorship are forecasted at a 50% reduction for Fiscal Year 2020-2021. While the increase in fees will not offset the estimated shortfall in the next BN, they will help to reduce the gap.

KL:hr
Attachment: Resolution
Attachment: Exhibit A, Schedule of Fees and Charges

RESOLUTION NO. _____

A RESOLUTION REVISING FEES AND CHARGES FOR PARKS & RECREATION SERVICES FOR FISCAL YEAR 2020-2021 AND REPEALING RESOLUTION NO. 6819.

WHEREAS, the City of Albany is dedicated to delivering the services that Albany's citizens need, want, and are willing to support; and

WHEREAS, the City of Albany has duly adopted Resolution No. 6819, establishing fees and charges for parks and recreation services for BN 2019-2021.

NOW, THEREFORE, BE IT RESOLVED by the Albany City Council that the fees and charges listed in "Exhibit A" (attached) be established for Parks & Recreation Department programs and services, effective as of the date of this resolution; and

BE IT FURTHER RESOLVED that Resolution No. 6819 is hereby repealed.

DATED AND EFFECTIVE THIS 22ND DAY OF JULY 2020.

_____
Mayor

ATTEST:

_____
City Clerk

EXHIBIT A

Albany Parks and Recreation Schedule of Fees and Charges
FY21

RECREATION PROGRAMS

Recreation fees are intended to recover the following expenses: all direct costs as well as marketing costs associated with programs. These include (as appropriate): facility expenses, transportation, instruction, equipment, supplies and materials. Charges may vary according to location, instructor wages, and contracted services rates. All direct costs are divided proportionately among the participants.

ALBANY RESIDENT DISCOUNT

For most services, Albany residents receive a discount of 30%. Non-residents typically pay full price. However, frequent non-resident customers may elect to purchase a Frequent Customer Card (FCC), which covers any non-resident surcharges for one full year.

Frequent Customer Card	FY20	FY21
Individual	$40.00/year	$50/year
Family	$80.00/year	$100/year

SPORTS PROGRAMS

Team Fees	FY20	FY21
Volleyball	$28.00/game	$28.50/game
Men's League Softball	$55.00/game	$55.50/game
Women's League Softball	$55.00/game	$55.50/game
Co-ed League Softball	$55.00/game	$55.50/game

Fees include costs for staffing, officials, facilities, capital enhancement fees, marketing costs associated with programs, field maintenance and awards. Prices may be adjusted to reflect unanticipated increases in gym rental prices. Number of games offered may be affected by gym availability.

AQUATICS PROGRAM

COOL! SWANSON PARK ACTION CENTER

Admission	Daily		10-Visit		Season Pass	
	Resident/Non-Resident		Resident/Non-Resident		Resident/Non-Resident	
	FY20	FY21	FY20	FY21	FY20	FY21
Adults/Senior	$5/6	$5.25/$6.75	$45/$54	$47.25/$60/75	$150/$180	$157.50/$202.50
Tots (0-5 years)	$3.25/$3.75	$3.50/$4.50	$29.25/$35	$31.50/$40.50	$97.50/$117	$105/$135
Youth (6-17 years)	$4.50/$5.50	$4.75/$6.25	$40/$50	$42.75/$56.25	$135/$162	$142.50/$187.50
Adults/Senior	$5/6	$5/6	$45/$54	$45/$54	$150/$180	$150/$180
Family (up to 4 people)					$350/$420	$375/$450
Observers	$2	$2				

EXHIBIT A

COOL! POOL RENTALS

Pool/Deck	Hourly Resident/Non-Resident	
	FY20	FY21
1-50	$160.00/$185.00	$170/$220
51-100	$195.00/$220.00	$205/$255
101-150	$230.00/$255.00	$240/$290
151-200	$265.00/$290.00	$275/$325
201-250	$300.00/$325.00	$310/$360
251-300	$335.00/ $360.00	$345/$395
Refundable Damage Deposit	$100	$100

For each additional 50 persons, add $35.00

COOL! FACILITY RENTALS

Room	Hourly Resident/Non-Resident	
	FY20	FY21
Community Room Rental	$35.00/$40.00	$40/$50
Refundable Damage Deposit	$100.00	$100

Maximum 15 persons in Community Room

ALBANY COMMUNITY POOL (ACP)

FY20-21 will be the first year where Albany Community Pool has a Resident/Non-Resident rate.

General Admission	Individual		Annual Pass		20-Visit Cards	
	Resident/Non-Resident		Resident/Non-Resident		Resident/Non-Resident	
	FY20	FY21	FY20	FY21	FY20	FY21
Youth	$4.25	$4.50/$6	$275	$292.50/$390	$81	$85.50/$114
Adult	$4.50	$4.75/$6.25	$290	$308.75/$406.25	$85.50	$90.25/$118.75
Seniors (55+)	$4.25	$4.50/46	$275	$292.50/$390	$81	$85.50/$114
Family (up to 6, $2/each after)	$14	$15/$19.50	$475	$525/$680		
Family Plus Sports Pass			$600	$780		
Sports Pass			$275	$292.50/$390		
					10- Visit Cards	
Parent/Child	$5				$45	$47.25/$60.75
Adult Fitness	$5				$45	$47/$60.75

ACP FACILITY RENTAL

Pool Rental	Hourly Resident/Non-Resident	
	FY20	FY21
Entire Pool (up to 40 persons)	$110.00/hour	$125/$162.50
Half pool (up to 40 persons)	$65.00/hour	$70/$91
Refundable Damage Deposit	$40	$40

EXHIBIT A

FACILITY RENTALS

Picnic Shelters and Stages**	Weekday (M-TH) All Day		Weekend/Holiday All Day	
	Resident/Non-Resident/Non-Profit		Resident/Non-Resident/Non-Profit	
	FY20	FY21	FY20	FY21
Bryant #1 or #2	$90/$115/ $75	$95/$120/$85	$110/ $145/ $90	$115/$150/$95
Grand Prairie	$90/ $115/ $75	$95/$120/$85	$120/ $160/ $110	$125/$165/$115
Monteith Shelter	$90/ $115/ $75	$100/$125/$95	$135/ $175/ $110	$140/$180/$120
Monteith Stage/Shelter	$165/ $220/ $125	$175/$230/$135	$350/ $465/ $280	$355/$470/$290
Timber Linn #1 or #2	$100/ $130/ $70	$110/$140/$80	$230/ $310/ $190	$235/$315/$200
Timber Linn Amphitheater	$495	$500	$660	$675
Non-Shelter Areas	Rates Negotiable		Rates Negotiable	
Refundable Damage Deposit – $100				

Or 15% of gross ticket sales, whichever is greater, not to exceed $5,000

* * $ 50.00 vendor fee or 15% of gross sales, whichever is greater for commercial sales.

Softball/Baseball Fields Rentals	Field/Hour
90-Minute Usage	$50
Light Usage	$35
Pitching Mound/Rubber Install	$30
Damage Deposit	150.00

New this year: due to COVID-19, we are altering use of our fields in the summer months to maximize play outside of adult league times.

SENIOR CENTER ROOM RENTALS

Room	Non-Profit Per Hour		Private Per Hour		Commercial Per Hour	
	FY0	FY21	FY120	FY21	FY20	FY21
1 Bay	$30	$35	$40	$45	$60	$65
2 Bays	$40	$45	$50	$55	$70	$75
3 Bays	$50	$55	$60	$65	$80	$85
Activity Room	$35	$40	$50	$55	$65	$70
Meeting Room	$25	$30	$35	$40	$40	$45
Kitchen	$40	$45	$55	$60	$90	$95
Entire Facility	$100	$140	$150	$185	$175	$215
Refundable Security Deposit		$100				
Refundable Alcohol Deposit		$50				

MEMO

TO: Albany City Council

VIA Peter Troedsson, City Manager 7/2

FROM: Shane Wooton, Fire Chief

DATE: June 30, 2020, for the July 6, 2020, City Council Work Session

SUBJECT: Fire and Life Safety Services Fee Schedule

Relates to Strategic Plan theme: A Safe City; An Effective Government

Action Requested:

Council approval by resolution to add fire and life safety service fees effective July 22, 2020.

Discussion:

The fire department currently assesses fire and life safety services fees. Adoption of the 2019 Oregon Fire Code added a state mandated licensing inspection, driving the need for a new operational permit. An updated repeat fire code violation fee schedule is also necessary.

Operational Permit Fee

Annual motor vehicle dismantling licensing inspections are now mandated by the state and the 2019 Oregon Fire Code. These inspections are subject to constricted time frames and may take priority over other assignments, increasing workload for staff and shifting other priorities (this is consistent with daycare/adult care licensing timelines). The following table outlines the range of fees assessed by other communities and the proposed fee range for the City of Albany.

Jurisdiction	Operational Permit Range
Eugene/Springfield	$240
McMinnville	$150 - $250
Salem	$75 - $112.50
Gresham	$75 - 120
Corvallis	$80
Medford	$75
Albany	**$125 - $250**

A proposed fee for the vehicle dismantling inspection is shown in the table below with other fees currently in place.

Operational Permit Type	Permit Fee
Special Events *(OFC 105.6.37)*	$250
Temporary Membrane Structures/Tents *(OFC 105.7.22)*	$125
Daycare/Adult Care Licensing Inspection *(OFC 105.6E)*	$125
PROPOSED Motor Vehicle Dismantling Licensing Inspection *(OFC 107.2.3.1)*	**$125**

Repeat Fire Code Inspection Violations

The fire department is responsible for conducting fire code inspections in 5,215 business occupancies. These inspections should occur every one to four years depending on the types of hazards within and associated with the occupancy. It is difficult for department staff to inspect these per the prescribed schedule due to staffing limitations and workload, resulting in businesses which have not been inspected in greater than four years.

The number of repeated fire code violations often prevents timely inspections for other businesses. A repeated violation occurs when a business owner/representative has been made aware of a particular violation during an inspection (e.g., blocked exit, over-due fire sprinkler system servicing, etc.), and then that same violation is found during another inspection a year or more later with the same owner/representative. These repeated violations indicate that previously known fire and life safety requirements, which are in place to protect them and the public, were disregarded, thereby requiring additional inspections. Approximately five to eight percent of inspections currently conducted reveal repeated violations. Deputy fire marshals essentially duplicate their work effort to devote additional time re-educating and re-inspecting. This effort takes away from what could be initial inspections of other occupancies. The table below shows the proposed fees for repeated violations.

Repeated Fire Code Violation(s) Within 48 Months of Original Notice

1st Inspection (current)	1st Re-inspection (proposed)	2nd Re-inspection (proposed)	3rd Re-inspection (current)	4th or More Re-inspection (current)
$0 per repeated violation	**$100**	**$100**	$100	$100

Budget Impact:

The proposed operational permit fee is estimated to generate $250 annually based on 2019 activity. The proposed repeat fire code violation fee is estimated to generate $2,000 annually based on 2019 activity.

LR:rb
Attachment(s): 1

RESOLUTION NO. _____

A RESOLUTION ESTABLISHING FIRE AND LIFE SAFETY SERVICE FEES, AND REPEALING RESOLUTION NO. 6791.

WHEREAS, the city council reviews and authorizes service fees; and

WHEREAS, the city council established and maintains a fee schedule for various fire department permits (Resolution No. 6791); and

WHEREAS, the fire department has identified the need to adjust the fee schedule; and

WHEREAS, annual motor vehicle dismantling licensing inspections are now mandated by the state and are time sensitive; and

WHEREAS, repeated fire code violations and re-inspections are increasing staff workload and reducing inspections at other occupancies.

NOW, THEREFORE BE IT RESOLVED that the City Council of Albany, Oregon, authorizes the fees described in Exhibit A to be established effective July 22, 2020, for services provided by the Fire Department; and

BE IT FURTHER RESOLVED that Resolution No. 6791 is hereby repealed.

DATED AND EFFECTIVE THIS 22ND DAY OF JULY 2020.

_____
Mayor

ATTEST:

_____
City Clerk

Exhibit A
Fire and Life Safety Services Fee Schedule Effective July 22, 2020

OFC = Oregon Fire Code Reference

Fireworks Permit

Retail Fireworks Stand Permit *(OFC 105.6C)*	$ 125
Fireworks Display Permit *(OFC 105.6B)*	$ 450

Hazardous Materials Storage Tanks

Decommission or Removal Permit *(OFC 150.7.8)*	
0 – 99 gallons	$ 0
100 – 9,999 gallons	$ 150
10,000 and more gallons	$ 300
New Installation Permit *(OFC 150.7.8)*	
0 – 99 gallons	$ 0
100 – 9,999 gallons	$ 250
10,000 – 49,999 gallons	$ 500
50,000 – 99,999 gallons	$ 750
100,000 and more gallons	$ 1,000

Repeated Fire Code Violation(s) Within 48 Months of Original Notice *(OFC 109.4.1)*

1st Inspection	1st Re-inspection (proposed)	2nd Re-inspection (proposed)	3rd Re-inspection	4th or More Re-inspection
$0	**$100**	**$100**	$100	$100

Operational Permits

Special Events *(OFC 105.6.37)*	$250
Temporary Membrane Structures/Tents *(OFC 105.7.22)*	$125
Daycare/Adult Care Licensing Inspection *(OFC 105.6E)*	$125
PROPOSED Motor Vehicle Dismantling Licensing Inspection *(OFC 107.2.3.1)*	**$125**

Private Fire Protection Service *(OFC 105.7.1)*

Inside City Limits - applicable to standpipes, connections for automatic sprinkler systems, and fire hydrant service for private fire protection located within city limits.

Fire Line Size	Monthly Rate
2-inch or smaller	$ 13.94
3-inch	$ 17.35
4-inch	$ 18.93
6-inch	$ 30.31
8-inch	$ 48.96
10-inch	$ 77.97

Outside City Limits - applicable to standpipes, connections for automatic sprinkler systems, and fire hydrant service for private fire protection located within city limits.

Monthly rates as listed for Inside City Limits with a 10 percent surcharge on said rates for service outside the city limits.

Special Conditions for all Fire Protection Services - water taken under this classification is to be used only to extinguish fires and for flushing necessary to maintain fire protection equipment. In case of surreptitious or improper use of water, the consumption may be estimated, and the water used shall be billed at regular meter rates.

Fire Plan Review Fee

15% of commercial plan review fee	Varies

MEMO

TO: Albany City Council

VIA: Peter Troedsson, City Manager 7/2
Jeff Blaine, P.E., Public Works Engineering & Community Development Director

FROM: David Martineau, Planning Manager

DATE: June 18, 2020, for the July 6, 2020, City Council Work Session

SUBJECT: FY 2020-21 Planning Division Fee Adjustments

Relates to Strategic Plan theme | Relates to: Effective Government

Action Requested:

Staff requests direction from City Council regarding FY 2020-21 Planning Division fees.

Discussion:

It has been city council's practice to provide for annual inflationary adjustments to Planning Division fees based on the year-to-year increase in the April U.S. Bureau of Labor and Statistics Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W). From April 2019 to April 2020 the CPI-W has increased 0.07 percent and, based on past practice, does not justify an inflationary adjustment for FY 2020-21.

At the August 26, 2019, City Council Work Session, staff presented a cost recovery analysis for the Planning Division (see council memo provided as Attachment A). The analysis provided near- and long-term recommendations. Council acted on near-term recommendations in January of 2020 with consideration of long-term recommendations being deferred to future fee discussions.

At the time, staff envisioned facilitating further discussion of long-term goals and objectives as part of this year's fee adjustments. Due to competing priorities and COVID-19 responses, staff is not positioned to have those discussions at this time. In the interim, last summer's analysis does provide sufficient detail for council to consider an adjustment to move closer to cost recovery.

Staff recommends that council consider the information presented in the August 2019 council memo, the current economic times, and the year-over-year change in CPI-W and provide direction regarding Planning Division fee adjustments for FY 2020-21. Any proposed adjustments will be considered through a public hearing at the July 22, 2020, City Council Meeting.

Budget Impact:

If the number and type of applications remain constant, every one percent increase in Planning Division fees will generate an estimated $1,300 increase in annual revenue for the general fund.

DM:js

Attachment

MEMO

TO: Albany City Council

VIA: Peter Troedsson, City Manager

FROM: Jeff Blaine, P.E., Public Works Engineering and Community Development Director

DATE: August 6, 2019, for the August 26, 2019, City Council Work Session

SUBJECT: Planning Cost Recovery Analysis

Relates to Strategic Plan theme: Effective Government

Action Requested:

Staff requests council provide direction regarding Planning Division fee adjustments.

Discussion:

The Planning Division (planning) works with the City Council to adjust application/permit fees annually in response to inflation. Inflationary adjustments were last made in July 2019 at +7.58 percent, consistent with the increased cost to provide services. Inflationary adjustments are important, but it is equally important to periodically evaluate total revenues and expenditures and compare them to cost recovery objectives. The purpose of this memorandum is to facilitate such an evaluation.

Background

Planning is a general fund supported program. During the budget process, the Finance Department allocates a portion of general fund revenues to planning, and planning creates a budget that falls within that allocation. Throughout the budget year, planning permit and application review fee revenues go directly to the general fund, not to planning. One way to characterize this approach is that the general fund is reimbursed through permit/application fee revenue for work necessary to respond directly to development applications. This relationship is important to understand because any shortfalls in planning-related revenues collectively impacts general fund activities.

A primary function of the Planning Division is to review development applications for consistency with the City's Comprehensive Plan, Development Code, and other related regulations. This function guides growth and redevelopment with a goal of realizing the community's visions for a thriving Albany. In this way, the development process provides services to the development community and provides protections or assurances to existing residents. In other words, there is a general benefit to the Albany community as well as services provided to property owners/developers on a specific project. The concept of shared benefit is equally applicable to development itself. While an individual developer should profit on their project, the Albany community also benefits from development whether that be by the creation of needed housing or jobs.

Other planning functions such as long-range planning, floodplain management, historic preservation, and code enforcement also provide a shared communitywide benefit. All of these shared benefits help to explain the appropriateness of general fund support for planning. The question currently facing council is, what is the appropriate cost recovery target for planning permit/application fees? The question is characterized as a

"target" because available data is only appropriate for general discussions and revenues can fluctuate widely based on the amount, and type, of development in any given year.

Revenues and Expenditures

Planning staff is generally involved in development projects at three stages: pre-application, application, and building permit. The following sections discuss revenues and expenses related to each activity. Where the term "related support costs" is used, it is referring to the portion of costs for administrative support, management, central service charges (HR, Finance, City Manager's office), IT services, and materials and supplies that are allocated to the activity being discussed.

Pre-Application Meetings

Pre-applications meetings provide an opportunity for landowners and developers to meet with City staff about their development ideas. Meetings are attended by multiple Public Works, Planning, Building, and Fire Department staff. These meetings provide an opportunity for the applicant to understand what options are available to them and to get detailed information about code requirements prior to investing further in their project. These meetings are also important for staff as they typically result in more complete applications and provide an opportunity to troubleshoot issues directly with the applicant early in the process. By having all impacted departments represented at the meeting, it saves the applicant time and provides a venue to resolve competing priorities in a collaborative manner.

The City does not charge for pre-application meetings; however, they cost planning between $30,000 and $90,000 a year depending on the number and complexity of meetings, and whether related support costs are considered. Despite the cost, staff does not recommend adding a fee specific to pre-application meetings. These meetings are critical for landowners, potential developers, and staff. They should be encouraged and not discouraged through implementation of a new fee. If cost recovery for pre-application meetings is important to council, staff would recommend costs be recovered through projects that ultimately materialize and submit applications. If recovered through planning applications review fees, a 13 to 40 percent rate increase would be required; depending on whether related support costs are included.

Planning Application Review

Planning staff conducts a wide variety of application/permit review activities. Applicants pay fees for these reviews consistent with the most recent fee schedule adopted by council. Fees are collected upon application, but the costs associated with review span several months. Therefore, when comparing revenues and expenditures it is important to consider multiple years in order to smooth out those impacts over time. For the purpose of this analysis, staff considered revenues and expenditures for fiscal years 2016/17, 2017/18, and 2018/19.

Prior to considering related support costs, the City is recovering 106 percent of costs associated with reviewing planning applications. When related support costs are considered, the City is only recovering 42 percent of costs related to application review. If council determined that 100 percent cost recovery of all review costs was appropriate, including related support costs, a 140 percent rate increase would be required to generate the $310,000 in additional annual revenue.

Building Permit Review

When applicants submit permits to the Building Division for constructing improvements, planning staff must also provide reviews to ensure consistency with the Development Code and any related land use approvals. A small fee is collected for these reviews. Annual fee revenues for these reviews are less than $10,000, but annual

expenses are closer to $25,000 without related support costs, and $60,000 with related support costs. If these costs were to be recovered through planning applications review fees, an 11 to 26 percent rate increase would be required, depending on whether related support costs are included.

All Activities *(Inclusive of Those Above and Additional Planning Efforts)*

The Planning Division has many responsibilities in addition to those related solely to reviewing development applications. These activities range from long-range planning to historic preservation. Excluding grant programs, over the last three years, it cost roughly $900,000 more a year to run the entire planning program than is collected through development review fees. If the entire program was intended to be application review fee supported, a 400 percent rate increase on development review fees would be required. Staff does not recommend pursuing such an approach and suggests that continued support through the general fund is most appropriate due to the shared nature of communitywide benefits realized by the diversity of planning program responsibilities.

Recommendations

The data shows that staff time directly attributable to planning application review is being covered by planning permit/application review fees. However, other expenses related to development review such as pre-application meetings, land use review on building permits, and related support costs are not being recovered. Staff recommends that council consider fee adjustments that address this discrepancy. There is approximately $45,000 in direct staff costs for development review that aren't recovered through the current fee system ($30,000 pre-application and $15,000 building permit). There is another $400,000 in related support costs attributable to development review that aren't recovered.

Adjusting planning fees requires a delicate balance. Fees should be high enough to adequately cover costs but not so high as to discourage development such that it ultimately results in revenue reductions or lost opportunities. To strike this balance, staff recommends council initially consider a unique solution that results in no net impact to the applicant.

Near Term Recommendation

As noted above, a small planning review fee is collected at the time of building permit application. The fee brings in less than $10,000 annually, but it costs the City approximately $60,000 per year to conduct these reviews. Staff recommends planning review fees on building permits be reset at 15 percent of the building plan review fee. Based on the last four years of development activity, such a change would generate an additional $50,000 in revenue and fully reimburse the general fund for costs related to planning's building permit review.

Council could also direct staff to pursue a concurrent reduction in building plan review fees to help offset the impact to applicants. Following the recession, Building Division revenues have steadily increased, and reserves have been replenished to state recommended levels; an indication that such a reduction may be appropriate.

If council supports these recommendations, staff will pursue approval from the Department of Consumer and Business Services, Building Code Division, and will return to council with an implementing resolution for your consideration.

Long Term Recommendation

When considering all development review costs collectively, the net effect of implementing the near-term recommendation is that the general fund will collect enough revenue to cover all direct development review expenses, but none of the related support costs. Over the long term, council may also want to consider adjusting planning review fees to cover at least a portion of the related support costs. Having just raised

planning fees 7.58 percent in July, staff would not recommend making additional adjustments now. However, council may want to consider small incremental increases over time. Smaller incremental adjustments would be recommended because a one-time adjustment would require a 176 percent increase in permit/application review fees.

Council considers inflationary fee adjustments annually. Staff recommends that further cost recovery adjustments for related support costs be considered coincident with future inflationary adjustments. In this way, the combined impacts can be more easily characterized and understood by all.

Budget Impact:

If staff's recommendation is implemented, general fund revenues would increase approximately $50,000 per year and Building Division revenues would decrease approximately $50,000 per year. Actual revenues will depend on the type and level of development experienced.

JJB:kw

c: David Martineau, Planning Manager (via e-mail)
Jeff Babbitt, Public Works and Community Development Business Manager (via e-mail)
Jorge Salinas, Deputy City Manager/CIO (via e-mail)
Jeanna Yeager, Finance Director (via e-mail)
Seth Sherry, Economic Development Manager (via e-mail)

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MEMO

TO: Albany City Council

VIA: Peter Troedsson, City Manager 7/2
Jeff Blaine, P.E., Public Works Engineering and Community Development Director JB

FROM Rob Emmons, P.E., Assistant City Engineer

DATE: June 26, 2020, for the July 6, 2020, City Council Work Session

SUBJECT: Adjustments to System Development Charges, Connection Fees, and Post-Construction Stormwater Quality Program Fees

Action Requested:

Staff recommends Council consider potential adjustments to identified public works fees/charges and provide direction.

Discussion:

System Development Charges (SDCs), connection charges, and Post Construction Stormwater Quality (PCSWQ) fees have historically been adjusted annually for inflation, effective the first day of July. Due to this year's unique circumstances brought on by COVID-19, adjustments are being considered later than normal.

At the time inflationary adjustments are considered, council typically also considers any additional adjustments necessary to meet council objectives. For example, council recommended phasing in new water and wastewater SDC charges over five years. Whether or not to pursue this year's phased increase is another decision council needs to make. The table below provides potential SDC adjustments for council's consideration.

Potential SDC Inflationary and Phased Adjustment Summary[1]

SDC's	Current	Inflationary Adjusted[2]	Inflationary and Phased Adjustment
Water SDC (SFR ¾" meter)	**$2,857** ($2,856.60)	**$3,008** ($3,007.54)	**$3,183** ($3,182.82)
Wastewater SDC (SFR)	**$3,560** ($3,560.20)	**$3,748** ($3,748.18)	**$3,991** ($3,990.53)
Transportation SDC (SFR)	**$4,085** ($4,085.49)	**$4,128** ($4,127.86)	N/A[3]

[1] The numbers in parentheses are the calculated fees. The bold numbers are the actual fees charged.

[2] Water and Wastewater 5.28% increase and Transportation 1.05% increase. Water and Wastewater haven't been adjusted for inflation since November 2018; Transportation July 2019.

[3] Transportation SDC does not have a phase-in schedule.

The table below provides a comparison of Albany's SDC fees to other surrounding communities. This comparison provides a "measuring-stick" for how much SDC's contribute to the cost of a home and how that compares between communities.

SDC Community Comparison[1]

City	Total SDC[2]	Median Home Cost[3] (MHC)	Percentage SDC to MHC
Philomath	$26,172	$311,200	8.4%
Corvallis	$17,024	$378,300	4.5%
Salem	$16,963	$282,600	6.0%
Millersburg	$16,190	$384,700	4.2%
Jefferson	$13,132	$243,300	5.4%
Albany – Inflation & Phased Adjustment	**$13,022**	**$275,200**	**4.7%**
Albany – Inflation Adjusted Only	**$12,604**	**$275,200**	**4.6%**
Lebanon	$12,445	$220,500	5.6%
Albany – Current Fees	**$12,222**	**$275,200**	**4.4%**
Sweet Home	$1,839	$206,800	0.9%

[1]Other than Albany's proposed fees, provided data is as shown in City of Millersburg SDC update dated May 2020.
[2] As applicable, total SDC includes Water, Wastewater, Stormwater, Transportation, and Parks.
[3] https://www.bestplaces.net/housing/city/oregon/albany

Adjustments to connection fees and PCSWQ fees are also considered annually in response to inflation. The table below provides potential adjustments for council's consideration.

Potential Connection Fees and PCSWQ Inflationary Adjustments[1]

Connection Fees/PCSWQ Fee	Current Fees	Inflationary Adjusted Fees[2]
Water: Single Family Residential With Water Service Without Water Service	**$46** ($45.87) /ft of frontage **$60** ($60.47) /ft of frontage	**$46** ($46.35) /ft of frontage **$61** ($61.10) /ft of frontage
Water: All other zones With Water Service Without Water Service	**$69** (68.81) /ft of frontage **$77** ($77.15) /ft of frontage	**$70** ($69.53) /ft of frontage $78 ($77.96) /ft of frontage
Wastewater Property Without Service Lateral Property With Service Lateral	**$66** ($65.68) /ft of frontage **$79** ($79.24) /ft of frontage	**$66** ($66.37) /ft of frontage **$80** ($80.07) /ft of frontage
Transportation/Street	**$153** ($153.26) /ft of frontage	**$155** ($154.87) /ft of frontage
Storm Drainage	**$84** ($84.45) /ft of frontage	**$85** ($85.34) /ft of frontage
PCSWQ: Off-Site	**$53** ($53.21) /sf	**$54** ($53.77) /sf
PCSWQ: Transfer of Landscape Responsibility to City – First the 1000 sf	**$18** ($17.74) /sf	**$18** ($17.93) /ft
PCSWQ: Transfer of Landscape Responsibility to City – Additional sf	**$12** ($11.82) /sf	**$12** ($11.94) /ft

[1]The numbers in parentheses are the calculated number. The bold numbers are the actual fees charged.
[2] Inflation of 1.05%

Staff is seeking council direction about whether to pursue inflationary adjustments for the identified fees and charges, and whether to pursue the planned phased adjustments for water and wastewater SDC's. Any proposed adjustments will be considered through a public hearing at the July 22, 2020 city council meeting.

Budget Impact:

Implementing the identified adjustments would increase revenues in each of the respective funds proportionate to the level of development experienced.

RE:ss