



ALBANY CITY COUNCIL AGENDA

Monday, September 21, 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.

Call: [1-646-749-3129](tel:1-646-749-3129)

Access code: [491-970-829](tel: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.

Requests for information to be shared on screen must be submitted before noon on the day of the meeting.

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 provide comment to the council during "business from the public" must send their written comments by email to cityclerk@cityofalbany.net before 5:00 p.m. the day before the meeting in order to be included in the public record. Please limit comments to one page and include your name and address.

4:10 p.m. Building division update – Johnathan Balkema. [Verbal]
Action Requested: Information, discussion, direction.

4:40 p.m. Cumberland Church update – Chris Bailey. [Verbal]
Action Requested: Information, discussion, direction.

4:55 p.m. Utility fee framework – Peter Troedsson. [Pages 2-3]
Action Requested: Information, discussion, direction.

5:10 p.m. Lafayette Street and Madison Street vacations – Ron Irish. [Verbal]
Action Requested: Information, discussion, direction.

5:20 p.m. Business from the council

5:25 p.m. City manager report

5:30 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

FROM: Peter Troedsson, City Manager

DATE: September 14, 2020, for the September 21, 2020, City Council Work Session

SUBJECT: Proposed Utility Fee

Relates to Strategic Plan theme: Effective Government

Action Requested:

Council direction with respect to the design and development of a utility fee to help close the imminent gap between revenues and cost of City services supported by the General Fund and the Parks and Recreation Special Revenue Fund. This preparation work is required before Council considers implementing a utility but does not obligate the Council to do so, and it does not impact whether Council implements the utility on its own authority or refers it to the voters.

Discussion:

Over the last two budget development cycles, the Council has heard about the growing gap between revenues and the cost of City services. Costs continue to rise at a rate faster than the growth in revenues, and this imbalance will persist for the foreseeable future. There are only three remaining options for dealing with this:

1. Reduce City services, and continue to reduce services, as long as the imbalance persists;
2. Identify a new revenue source to help pay for the services desired by citizens; or
3. A combination of 1 and 2 above that will bring the revenue/expenditure relationship into balance.

We have an ongoing obligation to be vigilant for internal efficiencies and cost saving measures, and department directors and their staffs are regularly reviewing processes for these opportunities. In the absence of defined revenue sources, the department directors and I have begun making plans for service level reductions. As you know, the revenues/expenditure imbalance has been recognized for some time, and leadership has been preparing for the possibility of extensive reductions in service levels. The coronavirus pandemic has accelerated and exacerbated the problem, and service level reductions have already been implemented, mostly within the Parks and Recreation Department.

Last year's study of cost containment measures and revenue enhancements yielded several recommendations, and all those that were directed by Council have been implemented yielding marginal progress toward closing the gap. However, of the options considered, a utility fee remains as the only source capable of closing that gap in any meaningful way. Previous Council discussions have covered the desirability of implementing the utility fee based on Council authority, as opposed to referring the fee to the voters of the City. It is important to note that regardless of which of these avenues is selected, a mechanism of this type will eventually be required if City services are not to be continuously whittled away. This helps to explain why 50 other Oregon cities have turned to utility fees as a means of funding important City services.

Consequently, we will begin designing and developing a utility that would fund designated services in parks, library, and public safety, similar to what was adopted by the City of Salem and outlined by Jeff Blaine in his presentation to Council in November 2019. This utility would be developed *in concept only* until Council gives final direction to implement. The work would:

- Identify revenue requirements and funding level
- Select rate structure
- Develop sample fees and bills
- Develop internal systems and databases (billing, accounting, and code)

Council guidance will be sought for each step in this process, and public outreach will be critical to any utility's success. Implementation will be a separate decision. Upon completion of this work, Council may choose to implement the utility, refer implementation to the voters, or delay any action. However, given the eventual need for this funding source, the work needs to be performed so that the City will have this available when the Council deems it necessary.

The new utility billing module of our financial system is scheduled to be brought online in January 2021. By beginning to prepare now for a new utility, potential conflicts with utility development and software implementation can be minimized.

Budget Impact:

Staff will perform this work with consultant support.

PT:hr