



APPROVED: May 15, 2012

CITY OF ALBANY
ARA Budget Committee with the CARA Advisory Board
City Hall Willamette Room, 333 Broadalbin Street SW
Wednesday, April 18, 2012

MINUTES

Budget Committee Members present: Colleen Keller, Wendy Kirbey, Dick Conolly, Neil Michael, Michael Thomson, Susan Folden

Budget Committee Members absent: Will Summers

Advisory Board Members present: Rich Catlin, Jeff Christman, Bill Coburn, Floyd Collins, Kate Foster, Loyd Henion, Gordon Kirbey, Sharon Konopa, Ray Kopczynski, Chuck Leland, Dick Olsen, Cordell Post, Mark Spence

Advisory Board Members absent: Bessie Johnson (excused)

Staff present: City Manager Wes Hare, City Attorney Jim Delapoer, Finance Director Stewart Taylor, City Recorder Betty Langwell, Urban Renewal Manager Kate Porsche, Administrative Assistant Teresa Nix

CALL TO ORDER

Chair Susan Folden called the meeting to order at 5:15 p.m.

ELECTION OF OFFICERS

Folden called for nominations for the Albany Revitalization Agency (ARA) Budget Committee officers.

MOTION: Wendy Kirbey moved to nominate Susan Folden for Chair, Jeff Christman for Vice Chair, and Colleen Keller for Secretary. Neil Michael seconded the motion, and it passed 18-0.

APPROVAL OF MINUTES

April 20, 2011 and May 17, 2011

MOTION: Floyd Collins moved to adopt the April 20 and May 17, 2011, minutes as presented. Christman seconded the motion, and it passed 18-0.

SCHEDULED BUSINESS

Business from the Public

Stella Reimers said that she came here to say what a good job the CARA Advisory Board is doing. She owns property in downtown Albany, and she has seen a lot over the years. Prior to the urban renewal district, the downtown was really blighted with panhandlers and drug addicts sleeping in garbage cans and using doorways as bathrooms. CARA came in and cleaned it up, and now people can walk downtown without being panhandled or feeling threatened. She hopes that CARA will stay strong and continue with what it is doing.

Proposed FY2012-2013 Central Albany Revitalization Area (CARA) Budget Review

City Manager Wes Hare said that urban renewal is an economic development tool that has been commonly used throughout the United States for at least the last 50 years. Oregon has more than 100 urban renewal districts, including three in Lebanon. The

urban renewal funding tool is called tax increment financing (TIF). The theory is that you take the increment in tax dollars beyond the frozen base and apply those funds to the blighted area to pull the area up so it can become economically productive and, over the long-term, make bigger contributions to other services. There are many good examples where this has worked well, and we have seen success in Albany. A feature unique to Oregon state law is that communities with urban renewal areas receive greater state assistance which amounts to about \$600,000 a year in Albany. If the City chose not to have an urban renewal area, that money would go back to the state.

Hare presented the ARA Budget of \$6,765,900 for the Fiscal Year 2012-2013.

City Attorney Jim Delapoer said that the ARA Budget Committee will hold a public hearing and receive input from citizens on May 15 and will then deliberate with the benefit of that input. The purpose of tonight's meeting is to receive the budget and ask questions of staff.

Urban Renewal Manager Kate Porsche distributed and reviewed a summary of Program 1112 CARA Debt Service revenues and expenditures, and Program 1102 CARA Projects revenues and expenditures [see agenda file].

Sharon Konopa asked that staff update the ARA Budget Committee on action taken at the Albany Revitalization Agency (ARA) meeting that was held just before this meeting. Porsche said that the ARA decided to put on hold all public projects that have not yet gotten underway as well as private projects for which there are no resolutions until we build the budget for FY2013-14. Loyd Henion commented that he thinks this is a mistake and that he would have liked the CARA Advisory Board to have some discussion before the ARA made this decision.

Delapoer said that the decision of the ARA to not spend money does not constrain the ARA Budget Committee in its role to authorize spending. If the ARA made a decision which reversed the decision made tonight, it would not be able to spend money that was not authorized without going through a supplemental process.

Mark Spence asked about the costs associated with holding but not accessing the Line of Credit (LOC). Porsche said the amount of the LOC that has not been accessed is \$3 million; the fee to hold those funds is about one-half of one percent. The proposed budget assumes that the LOC will be drawn down and converted to a bond but that is a policy decision to be made on the night of the hearing. Brief discussion followed. Porsche clarified that a resolution would still be needed to draw down the LOC even if that amount is in the budget. Having it in the budget gives the authority if the decision makers decide to draw it down.

Finance Director Stewart Taylor reviewed Oregon Budget Laws as they relate to the ability to amend an approved budget. He said that, in order for a supplemental budget to be considered, it must be for a purpose that could not have been reasonably anticipated at the time the budget was put together.

BUSINESS FROM THE COMMITTEE

None.

NEXT MEETING

The next meeting date of the ARA Budget Committee is Tuesday, May 15, 2012, 6:30 p.m.

ADJOURNMENT

Hearing no further business, Chair Folden adjourned the meeting at 6:08 p.m.

Respectfully submitted by,

Reviewed by,

Signature on File

Signature on File

Teresa Nix
Administrative Assistant

Kate Porsche
Urban Renewal Manager