NOTICE OF PUBLIC MEETING

ARA BUDGET COMMITTEE MEETING
City Hall Council Chambers
Tuesday, May 14, 2013
6:30 p.m.
Immediately preceding the City of Albany Budget Committee Meeting

AGENDA

1. CALL TO ORDER

2. ELECTION OF OFFICERS
   a. Chair
   b. Vice Chair
   c. Secretary

3. ADOPTION OF MINUTES
   a. May 15, 2012, ARA Budget Committee Meeting

4. SCHEDULED BUSINESS

   a. Business from the Public
   b. Proposed ARA FY 2013-2014 Budget deliberation

5. APPROVAL OF RESOLUTION

6. BUSINESS FROM THE COMMITTEE

7. ADJOURNMENT

The location of the meeting/hearing is accessible to the disabled. If you have a disability that requires accommodation to attend or participate in the meeting/hearing, advance notice is requested by notifying the City Manager/Human Resources Office at 917-7501.

APPROVED: DRAFT

CITY OF ALBANY
ARA BUDGET COMMITTEE MEETING
City Hall Council Chambers
Tuesday, May 15, 2012

MINUTES

ROLL CALL

PRESENT: Mayor Sharon Konopa and Councilors Jeff Christman, Bill Coburn, Floyd Collins, Ray Kopczynski, and Dick Olsen; and Budget Committee Members Susan Folden, Dick Conolly, Wendy Kirbey, Neil Michael, Will Summers, and Michael Thomson

ABSENT: Councilor Bessie Johnson and Budget Committee Member Colleen Keller (both excused)

CALL TO ORDER

Chair Susan Folden called the meeting to order at 6:30 p.m.

ADOPTION OF MINUTES

May 17, 2011 and April 18, 2012

MOTION: Councilor Floyd Collins moved to adopt the May 17, 2011 and April 18, 2012 minutes. Councilor Ray Kopczynski seconded the motion and it passed 11-0, with Budget Committee Member Will Summers abstaining.

SCHEDULED BUSINESS

Business from the Public

Mark Spence, 707 Broadalbin Street, a member of the Central Albany Revitalization Area (CARA) Advisory Board, said that over the course of CARA's life, it has been a large net-plus to the community. It has been said there are vacancies downtown but there are vacancies in every retail district in the City. He is professional historian and for 230 years, the entire history of the United States, all cities have had public and private cooperation to build commercial development and infrastructure; Albany is not unique in that regard. Without a distinct downtown, Albany is handicapped in competing for development and commerce that every city in Oregon is trying to attract. He urged that the CARA line-of-credit (LOC) be kept so that, if a business does approach Albany with an exceptionally good product, it can go forward. If that doesn't happen, we would be quite unfriendly to business and could lose an excellent opportunity.

Jim Clausen, 1448 Geary Circle SE #3, said he is a bit of a historian himself. He said the founding of this country was not based on propping up private enterprises. The founders concentrated on general welfare not specific welfare; they didn't build or fund restaurants and apartment buildings. When they started a town or city, congress appropriated funds for public buildings strictly for public use. He said he disagrees with the previous speaker's comment on private-public partnerships because it has no basis in fact. That is more in line with what they would do in Cuba or Russia; this country was not founded in that manner. He said there are vacancies around town but few of them have the percentage of vacancies found in the Wheelhouse building which has one tenant; he doesn't see that as a success. Clausen's opinion is that a ton of money was put into that building by the City with no return and no metrics to measure its return other than Tax Increment Financing (TIF). That is a silly way to do business; it favors some people and spends money like crazy on others. He would like to see CARA pull way back on what they are funding. He thinks the priories have gone askew from the original mandates.

Proposed ARA FY 2012-13 Budget Deliberation

City Manager Wes Hare said the Proposed Budget authorizes the continuation of the CARA program and the implementation of development plans they have been working on for a number of years. It provides resources to be able to complete those projects that CARA is contractually obligated to and it provides resources to do different projects if the Council, acting in its capacity as the Albany Revitalization Agency (ARA), chose to lift the suspension of activities. The budget was prepared under the assumption that CARA would be operating as it has in the past. Having the spending authority in the Proposed Budget does not mean that it has to be exercised; it just gives the ARA the authority to do so.

Kopczynski asked if converting the LOC to a bond prior to December will save interest costs. Hare said yes; we would save the most by being able to pledge the full faith and credit of the City to bonds that would be sold to replace the LOC, and that is the plan.

Councilor Jeff Christman said he thought the decision about the conversion had to be made in August. Finance Director Stewart Taylor said that the City Council took action that extended the timeframe to a December date. Staff will be bringing back to the ARA consideration of how to fund what has been drawn on the LOC.

Christman asked if it is correct that the current LOC balance will need to be converted to a bond and that, if the ARA chooses, an additional amount could also be bonded. Taylor said that is correct; he affirmed that the total LOC is $5 million, the amount that has been withdrawn is $2 million, and the amount that has not been withdrawn is $3 million.

Kopczynski noted that the budget has different numbers for General Revenues, Property Taxes-Current in the two programs. Taylor explained that the total property tax revenue anticipated to be received is the total of the two numbers. The amount shown in "Program 1112:CARA Debt Service" is the amount to fund anticipated debt payments. The amount in "Program 1102:CARA" is the balance which is anticipated to be available for projects.

Folden asked what will happen to the unexpended funds designated for the Carousel building design. Urban Renewal Manager Kate Porsche said that the CARA Advisory Board heard a request for the initial design of the building and the total amount that they had agreed to fund is what is in the budget. When the CARA Board and ARA are hearing projects again, the Carousel could come back with an additional request. She understands that the Carousel is in pretty good shape; their design is complete and they can work on fundraising.

APPROVAL OF RESOLUTION

MOTION: Kopczynski moved to adopt the resolution to approving the ARA Budget for FY 2012-13 and recommending ARA certification to Linn and Benton Counties. Coburn seconded the motion.

Christman commented that the budget includes the loan proceeds and projects and gives the ARA the ability to fund those projects if they choose. At this point, the expenditure of money for those projects which do not have contractual commitments has been suspended. To have those projects move forward would take a vote of the ARA but would also need to be in the budget. Even though he is strongly in favor of suspending those projects at this point, he feels it is appropriate to have the budget laid out the way it is.

VOTE: A vote was taken on the motion to adopt the resolution to approving the ARA Budget for FY 2012-13 and recommending ARA certification to Linn and Benton Counties. The motion passed 12-0 and was designated as Resolution No. B2012.

BUSINESS FROM THE COMMITTEE

There was none.

ADJOURNMENT

Hearing no further business, Chair Folden adjourned the meeting at 6:48 p.m.

Respectfully submitted,

Teresa Nix
Administrative Assistant

Reviewed by,

Stewart Taylor
Finance Director