



**NOTICE OF PUBLIC MEETING
CITY OF ALBANY
BUDGET COMMITTEE MEETING
City Hall Council Chambers
333 Broadalbin SW, Albany
Tuesday, May 10, 2016**

Immediately following the Albany Revitalization Agency (ARA) Budget Committee Meeting

AGENDA

1. CALL TO ORDER – Chair Folden
2. ROLL CALL
3. ELECTION OF OFFICERS
(The current Board is: Sue Folden as Chair; Jeff Christman as Vice Chair; and Colleen Keller as Secretary)
 - a. Chair
 - b. Vice Chair
 - c. Secretary
4. PUBLIC HEARING – STATE SHARED REVENUE
5. PUBLIC COMMENT
 - a. Budget comments received (by e-mail, website, or mail)
 - b. Audience comments
6. ADOPTION OF MINUTES
 - a. May 7, 2015, Budget Committee Meeting minutes
 - b. May 14, 2015, Budget Committee Meeting minutes
 - c. May 21, 2015, Budget Committee Meeting minutes
 - d. January 25, 2016, Budget Committee Meeting minutes
 - e. April 7, 2016, Capital Improvement Program (CIP) Joint meeting minutes
7. BUDGET MESSAGE
8. BEGIN BUDGET REVIEW BY DEPARTMENT
 - a. Public Works/Community Development Department
 - b. Library Department
9. OTHER BUSINESS
10. NEXT MEETING DATE (May 17, 2016)
11. ADJOURNMENT

City of Albany website: www.cityofalbany.net

The location of the meeting/hearing is accessible to the disabled. If you have a disability that requires accommodation, advanced notice is requested by notifying the City Manager's Office at 541-917-7508, 541-704-2307, or 541-917-7519.



**CITY OF ALBANY
BUDGET COMMITTEE MEETING
City Hall Council Chambers
333 Broadalbin Street SW
Thursday, May 7, 2015**

Immediately following ARA Budget Committee Meeting

MINUTES

CALL TO ORDER

Chair Sue Folden called the meeting to order at 6:46 p.m.

ROLL CALL

PRESENT: Budget Committee Members Sue Folden, Colleen Keller, Jeff Christman, Dick Conolly, Scott Pierson, Michael Thomson, and Will Summers; Mayor Sharon Konopa; and Councilors Rich Kellum, Bill Coburn, Floyd Collins, Bessie Johnson, Ray Kopczynski, and Dick Olsen

ABSENT: None.

ELECTION OF OFFICERS

- a. Chair, Vice Chair, and Secretary

MOTION: Councilor Rich Kellum moved to nominate Member Sue Folden to Chair; Member Jeff Christman to Vice Chair; and Member Colleen Keller to Secretary. Councilor Floyd Collins seconded the motion and it passed 14-0.

PUBLIC HEARING – STATE REVENUES

Folden announced a public hearing to receive public comments on the City's uses of State Shared Revenues as part of the proposed Budget for Fiscal Year 2015-2016.

Open: Folden opened the public hearing at 6:50 p.m.

Folden asked if anyone in the audience would like to comment. There were none.

Close: Folden closed the public hearing at 6:50 p.m.

PUBLIC COMMENT

- a. Budget Comments received (by e-mail, website, or mail)

Staff reported that no comments had been received.

- b. Audience Comments

There were none.

ADOPTION OF MINUTES

- a. May 6, 2014, Budget Committee Meeting minutes
- b. May 13, 2014, Budget Committee Meeting minutes
- c. May 22, 2014, Budget Committee Meeting minutes

- d. May 29, 2014, Budget Committee Meeting minutes
- e. November 20, 2014, Budget Committee Work Session minutes
- f. January 29, 2015, Budget Committee Work Session minutes
- g. April 2, 2015, Capital Improvement Program (CIP) Joint Meeting minutes

MOTION: Kellum moved to adopt the minutes as presented. Councilor Bessie Johnson seconded the motion and it passed 14-0.

BUDGET MESSAGE

City Manager Wes Hare noted the outdated audio system and apologized for the feedback and disruption it is causing during the meeting.

Hare said the 2015-2016 Budget is a maintenance-of-service budget. There are no radical new initiatives, or big increases or decreases in service levels. There are some policy changes to consider. First, the budget is based on a proposed 2% increase in the City's franchise fee to our electric utility. Albany's fees are currently 5%. Other cities in the area vary. Generally, around the state, fees are from 5-7%. More and more cities have gone to 7%, and so we are proposing to do that in this year's budget. We are proposing to do it because we think it's essential in order to maintain existing service levels. If we don't do it, we would have to look at some other means of raising revenue, or we would have to look at some fairly dramatic cuts in services. We believe that the increased amount partially offsets the amount of revenue that we are losing from compression, primarily in our public safety levy. We think the 2% will yield \$800,000-900,000 annually in increased revenue, as opposed to the approximately \$1.5-1.6 million we are losing to compression in the public safety levy. So, that clearly is an important distinction and is a new subject to consider this year, and probably deserves some discussion.

Hare said the second major change is a proposal that relates to Transient Lodging Tax (TLT) revenue, that by Council policy had previously been designated for "new programs" (such as Main Street Program, Trolley, and NW Art & Air Festival). A number of programs were due to receive very large portions under the TLT policy. In some cases, the revenue going to those programs makes some sense because it is in concert with our Strategic Plan and with our fiscal needs. But there are other places where we are proposing to send fairly large sums of money to programs that don't really need it. They didn't have it in the past, and they really don't have a plan to use it. This comes at the same time that we are having a difficult time maintaining our equipment reserve funds for Police and Fire. Hare said, I am proposing that we take some measure of that excess and apply it to areas where it is really needed. Also, the budget was constructed according to the last policy direction we had, so there are some other things that are not included in the Economic Development section, such as a position that was actually approved in last year's budget to add an assistant position for Economic Development. We felt that the timing was wrong last year and that there were greater needs, so we had opted not to fill that position last year. We also opted not to include it in the budget this year.

Hare said the Budget does not include a permanent allotment to Linn County. This year the City Council voted to direct resources to Linn County to help them promote the Expo Center. It is not included in the budget, but there is certainly capacity to include a line item if the Budget Committee so desires. Hare said he suspects the Budget Committee will have a robust discussion about TLT, in part because there has been a dramatic increase in revenue. He said, the last two years have been all-time highs for TLT revenues. But in the overall budget, the TLT revenue is not a huge amount of money.

Hare said the third major change is to hire basic life-support personnel in the Fire Department to meet the growing demand on services, particularly ambulance calls. These employees would have less training than paramedics and would be comparable to the Community Service Officers in the Police Department. The basic life-support personnel would be paid less and would take on more routine services, which would free paramedics for emergencies requiring their skills.

Councilor Ray Kopczynski asked if Hare will be addressing the effects of the new PERS ruling. Hare said it's hard to know how the ruling will affect the City of Albany. He estimated that the likely impact will be somewhere around

\$200,000. He emphasized that this figure is a guess. The change will affect the 2017 budget. Hare thinks the City can absorb it.

Councilor Bill Coburn asked if they considered an increase for the City's other franchises. Hare said they did not, because for the most part the others are capped. There are limits to what can be charged. Hare said that the electric utility made the proposal to the City and he presented it to the Budget Committee at a Work Session. The electric utility noticed that a number of other communities had already gone to 7% and they would be willing to accept that and propose it to their customers. Obviously to the franchisee, it is just a matter of passing it along. But, it is one we can do. We could also look at increasing the garbage utility because it is below the limit, but it is a fairly modest amount of money, and again, it just gets passed along to consumers, (so we chose not to.)

Coburn asked the difference between a franchise fee and a privilege tax. Hare said they are essentially the same thing. Both are paid for the utility's use of the public right-of-way (ROW). Cities acquire and maintain ROW at fairly significant expense to their residents and historically, we have been granted the right to charge users of the ROW for that privilege. Sometimes it is referred to as a privilege tax. One of the distinctions is that the privilege tax does not require a franchise fee agreement or a franchise agreement, whereas a franchise fee is usually something that is included within a franchise agreement. Coburn asked, so that tax, whether it is privilege or franchise, is capped, as an example, on gas and cable? Hare said yes; there is only so much we are allowed to levy under state law.

As to the new Fire personnel, Johnson asked if the City would be lowering the standard by hiring them for basic life-support. She asked, are we contracting out, or are we hiring? Hare said they would be hired. He does not consider it to be lowering the bar, because those personnel will have different duties. Discussion followed.

Member Will Summers asked Hare to explain the volatility of franchise fees and privilege taxes. Summers said, it seems to fluctuate and I am not sure I understand why. Hare said the weather has a fair amount to do with it. Natural gas and electricity use are both very dependent on what the weather is like. If we have a really cold winter, we get more money because the tax or the fee is based on the revenues that the utility receives. Another factor that has led to some decline in fees is the decreasing reliance or decreasing use of landline telephones, which used to be one of our largest sources of franchise fee revenue. But as fewer and fewer people keep their landlines, we get less revenue, and there is nothing comparable for cellular communication. Hare said, you may recall that a few years ago the City of Corvallis passed a cell phone tax that was voted out through a referendum process. So, it is not something he felt was worthwhile to suggest as a revenue source.

Johnson asked if cities or the legislature have tried to find other types of services and fees. Hare said, I believe the City of Eugene has a cell phone tax. I am not aware of other cities; for example, I don't know what Portland does. The argument breaks down a little bit with cell phones, because they really aren't dependent on ROW. There are no wires or cables running through the ROW, so at that point it simply becomes a tax. Hare said, I think you would probably find, even in communities that typically support local governments and their attempt to raise revenue and provide services – like Corvallis – that that would be an unpopular way to do it.

BUDGET REVIEW BY DEPARTMENT

Public Works/Community Development

There was a handout titled "2015-2016 Budget Summary Information" on the dais (see agenda file).

There was a handout titled "Public Works Budget Overview" on the dais (see agenda file).

Assistant Public Works Director/City Engineer Jeff Blaine and Assistant Public Works Director/Operations Manager Chris Bailey presented Public Works (PW) and Community Development's (CD) budgets. Bailey said there are no significant organization changes in PW this year, so no significant changes in the proposed budget. She thanked PW staff who helped put together the budget.

Blaine pointed out the two proposed personnel changes: adding one Full Time Equivalent (FTE) in construction inspection, and upgrading an Engineering Technician III position to Engineering Technician IV.

Blaine said the proposed budget is based on assumed increases in water and sewer rates. Water rates are scheduled to increase by 4% in January 2016, and sewer rates by 8% in July this year.

The budget was prepared prior to development of a funding plan for the Crocker Lane Local Improvement District (LID.) Council has since approved a funding plan. Blaine will point out the needed budget changes as they go through the budget tonight. The proposed budget is about 2.5% higher than last year's budget.

Blaine and Bailey gave a PowerPoint presentation (see agenda file). PW supports Airport, Transit Systems, Wastewater, Water, Stormwater, and Internal Services.

Regarding costs coming from regulatory issues, Summers asked how much of the work is done because of customer request rather than planned work. Bailey said she is not sure the exact number, but they get calls daily. They have a very active service request program. Each field crew has a customer service representative assigned to it. This is also true for Engineering; they frequently get called out and try to respond in the same day.

Bailey said the Airport budget decreased over \$100,000. A Fixed Base Operator is now responsible for fueling. The Airport budget remains whole.

The Committee discussed Transit fares and per-ride costs. Bailey said the City's cost per ride is \$3.45. The fare is \$1.50. Kellum asked if fares could be raised to narrow the gap. Bailey said Transit will work on planning with the Metropolitan Planning Organization (MPO) next year, but transit programs generally don't recover the cost per ride.

Summers said on page 109, 213-50-42817 shows an increase in the amount of 1,000%. He asked why. Bailey said the Loop budget relies on Linn County and schools partnerships. As their revenues shift, we try to reach out to others. For many years, Linn County contributed, but they are no longer able to provide the same level of funding, so Benton County has picked up their funding amount.

Kellum said Oregon State University (OSU) and Linn Benton Community College (LBCC) students get free passes on the Linn-Benton Loop (Loop). He asked, how does OSU's contribution to Loop funding compare to the City's cost? Bailey said the City does not contribute any General Fund money to the Loop. It is supported by grant money and the schools. OSU contributes about \$108,000 in support. Kellum asked if that roughly equaled the cost of the free rides. Bailey said she doesn't know how many students ride free. She will find out.

Folden asked if the fares are the same for all riders. Bailey said Seniors, the disabled, and youth pay a reduced fare, which is half price and is federally mandated.

Summers asked what the need was for developing the Albany Station pathway. Bailey said the path project started from the development of the multimodal station. It is a way to get users of the station safely across the intersection and the train tracks.

Blaine said that as part of the Crocker Lane LID discussion, Council asked staff to evaluate the Crocker Lane/Gibson Hill intersection. As a result, staff proposes to add a \$25,000 line item to study the current situation and conduct alternatives analysis for intersection treatment.

Blaine said there are several projects represented on pages 123-132, which the Budget Committee reviewed during the CIP process. The big project in the Street Capital budget is the North Albany Road project. He noted a correction to page 124: for the Crocker Lane/Gibson Hill intersection, to add the \$25,000 he just described. On page 128, the transfer out of TSDC-I to the capital projects fund (250-50-91249) will be reduced to \$382,500.

Kellum questioned the need for the North Albany section of the Corvallis-Albany bike path, since Benton County is re-planning their part of the route. Blaine said there is still value to the path in North Albany. It satisfies needs already identified in the Transportation Systems Plan (TSP). Hare added that North Albany is still well behind the main community in pedestrian/bike facilities.

The Budget Committee discussed sewer budgets. Blaine said staff expects that about 26 miles of sewer collector pipe will need to be repaired or replaced in the next 10 years, or face complete failure. The needs in the system far exceed the resources available to address them.

Johnson asked about the costs of hauling sludge instead of treating it. Bailey said the cost of hauling continues to increase. Johnson asked if any progress has been made on finding a solution. Bailey said they are working on a pilot project composting system. The project is going well. If it continues to succeed, PW would probably hire a consultant to determine the cost of implementing the system. Staff has kept the Joint Water Management Committee up-to-date on the issue. Hare added that the City received a settlement that so far has offset the cost of hauling sludge.

Blaine said the Sewer Capital SDC funds appear to have a good reserve, but revenues are not keeping pace with debt requirements. The reserves could be wiped out within a few years. The last two years, PW has had SDC reserves in the debt service funds in order to cover debt payments. This year, PW had to transfer from the SDC-I budget into debt service. In the near future, they expect to have to start using rate revenues to cover part of the debt service previously covered by SDCs, which means less money to fix failing pipes.

Collins said that the alternatives are either increased development in the City which would generate more SDC fees, or the City will have to adjust SDC-r rates to reflect that rates are pre-funding growth's share. Blaine agreed. Blaine said PW will do an SDC methodology update this year. He noted that development is increasing and the Proposed Budget is conservative. He expects rate revenues to be higher than projected.

Blaine said that the Sewer Economic Development fund includes the elevation certificate program Council adopted to assist residents with responding to FEMA's new flood plain maps. There are about 30-50 people who have used the program so far. Discussion followed.

For the Wetlands Treatment Project, Blaine said the City is installing a valve on the outlet pipe on the wetlands to close it during high flow events. The valve will be operated by a valve with an actuator.

Blaine said the Water Revenues fund is up to \$26 million with an assumed 4% increase in January 2016.

Bailey briefly reviewed the Water Administration, Water Canal Maintenance, Vine Street Water Treatment Plant, Water Distribution, and Albany-Millersburg Water Treatment Plant (WTP) sections.

Kellum noted that the line item for uniforms increased.

Coburn asked if the improvements to the canal walls near the Vine Street WTP would reduce canal maintenance costs. Bailey said it was a good engineering fix. She said they liked the design and might try the wall system throughout the downtown.

Coburn asked about Capital Equipment, 615-50-2207-70005. Bailey said it included flow meters in reservoirs and pump stations and a raw water pump station HVAC unit. Johnson noted that the IT equipment charges seem to fluctuate. Bailey explained it has two components: Information Technology (IT) network costs and the Supervisory Control and Data Acquisition (SCADA) equipment.

Summers asked if they are bringing in Programmable Logic Controllers to control water flows in a centralized location. Bailey said yes; there are a lot of automated controls and in-house staff. Summers asked what the average life span is. Bailey said five years.

Keller noted that membership fees in Albany-Millersburg WTP budget increased. Bailey said it pays for state certifications and for treatment operators; they have moved from an annual cycle to a two-year cycle so the numbers will ebb and flow.

Folden asked for an update on the loss of treated water. She recalled that PW was assessing the loss and had a project that looked at active meters to make sure people were being billed accurately. She, asked, how are you doing in those two areas? Bailey said they have an active program to replace steel pipe, which is a main source of leaking. The leaks have reduced to 18%. She described the program.

Blaine said the Water SDC Improvement Fee Projects have fairly small reserves. It is used to transfer debt payment out. There are no projects.

Blaine noted that in the Water System Capital Projects, \$75,000 will be transferred out to Capital Projects Fund in Finance's budget for Crocker Lane.

The North Albany Water Capital Projects pertain to projects outside the UGB. There are no projects proposed. The fund is building reserves for future projects. Collins asked, is the revenue coming from customers outside the UGB? Blaine said yes. Citizens inside the city limits are not paying for projects outside the city.

Bailey explained expenditures from the Water Equipment Replacement fund to pay for membrane systems. Following the settlement with Siemens, PW received a purchase agreement to buy membranes at reduced cost. This expenditure will purchase the remaining membranes under the agreement for \$175,000. Membranes have a 7-10 year life.

In Facilities Replacement, the City is building a new crew building. Currently staff is working out of converted sheds; when complete, this building will house 34 people. It is not fancy, but it will work. This fund is building reserves now. It will also serve as an emergency operations center. Coburn asked if there are grants available since it is will serve in an emergency. Bailey said no, because it is primarily a crew building.

Blaine said that PW Administration also provides staff for CD. The budget increased 5% due to Central Services charges.

In PW Engineering, there is an additional FTE for an inspector and a reclassification from a Tech III to Tech IV. Summers asked who is backfilling if the Tech III is now doing higher tasks. Blaine said the staff person is already doing Tech IV work, so this corrects the compensation and there is no backfill.

Bailey said the Operations Administration budget increased slightly due to employee longevity, Cost of Living Allowances (COLAs), and a change in benefits.

In Water Quality Control Services, they are putting money away for replacing a vehicle.

Blaine described the PW Customer Services fund. Johnson asked about credit card fees. Blaine said the City is charged for credit card fees and also for allowing customers to pay online at home. Kopczynski asked where the postage increase comes from since so many of the transactions are electronic. Blaine said the postage is for utility bills, rental of a PO Box, postage returns, etc. Discussion followed about utility bills and online bill pay.

Bailey said that among other things, Facilities & Maintenance Engineering pays for instrument control and SCADA, provides techs for asset management, internal mechanics, a welder, and education and training.

Blaine and Bailey described grants. The next grant project at the Airport will be for the taxiway connectors. The Title XIX grant reimburses the City for non medical rides for Medicaid patients. The ODOT Flex Funds program pays for the Gibson Hill sidewalk project. It will be done by the same contractor that is doing North Albany Road. The TWG grant pays for removal of noxious and invasive weeds.

Summers asked how many miles of sewer lines still need repair. Blaine said of the approximately 220 miles, 26 miles of sewer lines require significant repair or replacement.

Community Development

There was a handout titled "2015-2016 Budget Summary Information – Community Development" on the dais (see agenda file).

Blaine will be presenting the CD budget. He said that Planning Manager Bob Richardson and Building Official Gary Stutzman were available if the Budget Committee Members have questions.

Blaine said there have been several changes in CD from the previous year. PW and CD had a single director; then Richardson was hired as the Planning Manager. They still have a vacant planning position. Blaine said they have a strong staff that meets demands without sacrificing services. Building activity has significantly increased; this year will be one of assessment to see what is required to respond to the level of development.

PW will be taking over the Erosion Prevention Sediment Control inspections, which will free up staff time for Building. They will also be using contractual services in order to defer the need for more staff. There are no major organizational changes, though there is a shift in where Senior Code Compliance Inspector is budgeted in order to make the process cleaner.

Blaine said the CD budget is \$4.2 million. Planning has 6.42 FTEs and Building has 6.18 FTEs.

Blaine gave a PowerPoint presentation (see agenda file).

Kellum asked if the ProjectDox program was fully integrated. Blaine said yes, Planning was the last workgroup to implement and is just now getting ready to use it. Kellum said he has heard about its ease of operation.

Konopa asked if there is any way to reimburse the General Fund for the loan to Building a few years ago. Hare said it was not structured as a loan, though perhaps should have been.

Collins noted that other cities were offering less than 120 days for turn around on plan reviews. He asked if the City has discussed that. Richardson said that 120 day deadline is the maximum time the City has, which includes all appeals, hearings, and the potential for City Council appeal. Generally speaking, decisions don't take 120 days to reach. Most applications have a decision rendered within 30 days from an application being deemed complete. This includes administrative decisions. The Planning Commission could take longer, up to 45 days from a complete application. So unless it is appealed, it is made in less than 120 days anyway. Collins ask if consideration had been given to increasing the frequency of Planning Commission meetings in order to shorten the review period. Richardson said they meet twice a month. They could consider meeting more often with Council approval or they could schedule additional meetings on an as-needed basis.

Blaine said, in Building Inspection, the increase in the software line item is to purchase Accela Mobile Office and Citizen Access, which are add-ons to the current permitting program. He described the services and what they would achieve for staff. Summers asked what the estimated productivity increase would be with the software. Blaine said it would impact how long they could defer hiring additional staff. Stutzman said tracking the mileage alone takes a half hour, so with just that benefit it would pay off fairly quickly. Blaine noted that InfoHub is not

communicating with the permitting program; so it will need a significant upgrade or replacement if Citizen Access isn't pursued.

Under ADA Code Enforcement, Blaine discussed transition plan efforts.

Folden had a question about the Building Inspection Program. She said the numbers seem flat. The revenue increased 36%, but the volumes that were anticipated, as shown in the Program Narrative, don't seem to have increased. She said it seems like conservative budgeting. Hare explained that by policy, the City understates revenues and overstates expenditures. At the end of April, their current balance is over \$1 million and the ratio of revenues to expenditures is \$1.2 million versus \$997,000, so they are doing better than what was budgeted.

Regarding credit card fees, Folden noted that they are ahead of where they budgeted. The large proposed increase is pointing more to an insufficient budgeted amount in last year's budget more than an actual increase in the proposed budget. There are construction excise taxes for school districts; a few years ago, the City was withholding too much so it made the numbers look artificially low. Now they hold 2.5% of all receipts. They made a payment this year for the back log.

Folden asked what the driver is behind Central Services. Finance Director Stewart Taylor said they are based on 60% operations and 40% of FTEs. For Building, it is likely that operations increased from the prior year.

Blaine described how the Community Development Block Grant program and the State Historic Preservation Office (SHPO) grants work with reimbursement for staff time. Coburn asked what happens if the City doesn't spend all the revenue. Richardson said they try to spend it all; they recently approved three grants, so in another month or so more will have been spent. If the City doesn't spend it all, a portion goes back to the State; we cannot hold it. Kellum said he doesn't like it when there is a mandate that we have to spend money or lose it. Blaine explained that there could be an opportunity to leverage SHPO funds.

Library

Library Director Ed Gallagher gave a PowerPoint presentation (see agenda file).

Gallagher said the Library has infrastructure that can't be seen. The Library goes deeper, into the hearts and minds of people. They started new programs for infants and toddlers, so they now serve a range of people from infants to 92 years old. He said that if a person checks out one book every week, over their lifetime they would have saved more than \$120,000 in books.

Gallagher said his staff interacts with the community every day. He described the services they provide. He has been in this profession for 30 years. He has been asked the question, "What is the future of the library?" He said, we have two, and they are doing well. The Carnegie celebrated 100 years last year. They have an active "Friends of the Library" group and volunteers.

Gallagher said one change on the horizon is that one third of the staff is new, as folks are starting to retire. He hears positive compliments about staff.

Gallagher said they continue to rely on outside funding. He described the "Uncorked" fundraising event.

Gallagher said overall the Library has a less than 2% budget increase. Summers asked if the Library is involved in Dolly Parton Books for Infants and Toddlers. Gallagher said yes, they will be involved in it. He explained that the program gives one book each month to children from birth to 5 years old. He is working with several groups in the community.

Gallagher described other programs the Library is involved in.

Johnson asked, if you have new staff coming in at lower wages, why isn't there more savings in the budget. Gallagher said some of the turnover change was for part-time employees who became FTEs; so some were already employees and then went to full time.

Christman asked, of the 7,000 visits to the Library, how many are Albany residents versus people from other cities? Gallagher said he can't say that, but he can identify how many non-resident Library cards they have. He said perhaps 2,000 cardholders are non-residents versus 25,000 cardholders who are residents. There are a lot coming in from Lebanon for the Passport Program.

Konopa said that when they looked at the new Library and got the Oregon Community Foundation (OCF) grant, the City was asked how they could afford more staffing since that grant was flat. Gallagher said they never cut into the principal of the OCF; they just deferred spending until the new Library was built and they were able to combine those deferred disbursements to purchase the RFID equipment. Konopa wants the amount to be increased. Gallagher said the \$40,000 listed in the Strategic Plan is for fundraising, and is not going toward the OCF principal.

BUDGET COMMITTEE DISCUSSION

There was no further discussion.

OTHER BUSINESS

There was no other business.

NEXT MEETING DATE (Tuesday, May 14, 2015)

Folden said, this meeting is continued to May 14, 2015, at 6:30 p.m.

ADJOURNMENT

There being no other business, the meeting was adjourned at 9:46 p.m.

Respectfully submitted by,

Reviewed by,

Mary Dibble
City Clerk

Stewart Taylor
Finance Director



CITY OF ALBANY
BUDGET COMMITTEE MEETING
 City Hall Council Chambers
 333 Broadalbin Street SW
 Thursday, May 14, 2015
 6:30 p.m.

MINUTES

CALL TO ORDER

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

ROLL CALL

Present: Budget Committee Members Sue Folden, Jeff Christman, Dick Conolly, Scott Pierson, Will Summers, and Michael Thomson; Mayor Sharon Konopa; and Councilors Bill Coburn, Floyd Collins, Rich Kellum, and Ray Kopczynski

Absent: Budget Committee Member Colleen Keller; Councilors Bessie Johnson and Dick Olsen (all excused)

PUBLIC COMMENT

None.

CONTINUE REVIEW BY DEPARTMENT

Police Department

Police Chief Mario Lattanzio and Community Education Specialist Sandy Roberts came forward. Lattanzio gave the Police Department budget presentation for Fiscal Year 2015-2016. The staffing proposed is 88.75 positions, 60 of which are sworn. Of the sworn positions, 36 are in Patrol with four squads of nine. Patrol has not increased for several years. The current work load per officer is quite high and he believes the department is about eight officers short. New this year is the Street Crimes Unit, which was created to address a high number of drug and property crimes in the City.

Lattanzio said FBI Unified Crime Reporting Part 1 Crimes include violent crimes (homicide, rape, robbery, aggravated assault) and property crimes (arson, burglary, larceny, stolen vehicles). Looking at 2013 numbers, Albany is about 65% under the Oregon average for violent crime and about 31% above the Oregon average for property crime. Even though we have seen a reduction, there is still a lot of property crime in the community. He reviewed graphs showing statistics for Part 1 violent and property crime in the community over time as compared to the state average and to other Oregon cities. The 2013 data show that Albany is second lowest in Part 1 violent crime and third highest in Part 1 property crime in Oregon cities between 30,000 and 95,000 in population.

Councilor Rich Kellum said he has heard the high property crime is because of drug use; he asked if we are getting a better handle on that. Lattanzio said the Street Crime Unit was created to attack those issues. The unit is made up of one sergeant and three officers, and the goal is to evaluate and come up with a solution using a combination of crime prevention and enforcement. He thinks there will be improvement in that area but it will take time to get it going.

Lattanzio reviewed 2013 data on sworn officers per 1,000 residents and Part 1 crimes per sworn officer. In order to meet the goal of 31.65 Part 1 crimes per sworn officer, he would need to add eight officers. He reviewed statistics related to injury/fatal vehicle collisions and calls for service. As the population continues to grow, he said, there will be more calls for service and more manpower needed to be able to respond. He reviewed some of the department's accomplishments and challenges, noting a 8.9% reduction in Part 1 crimes for 2013 and a 17.4% reduction for 2014, resulting in a 26.3% reduction in Part 1 crimes since 2012. In 2014, calls for service increased by 6.2% (3,560 calls) and fatal/injury accidents increased by 10.5%. They are having a hard time maintaining the gains made and he doesn't know if they will be able to achieve the goal of another 5% reduction.

Councilor Ray Kopczynski noted an increase in Part 1 violent crimes from 2013 to 2014. Lattanzio said that percentage equals about two or three actual crimes. The main issue in Albany is property crime.

Kellum asked how close we are to implementation of the new system. Lattanzio said it is hoped that the system will be fully implemented within the next year. Kellum asked if there is an idea of the time savings that it will provide. Lattanzio said it does take time to log on and report on multiple systems, but he can't say how much time will be saved. The main benefit of the new system is in providing additional information to officers on the street.

Budget Committee member Will Summers said it sounds like the new system will result in efficiencies gained. Lattanzio said yes, although it will take some time to get officers trained and integrate the system with the property and evidence system.

Roberts reviewed community crime prevention activities. The volunteer program was restarted and five volunteers have worked over 1,500 hours on outreach to community members. The Albany Police and Kids Together (APAK) and Bringing Up Learning and Behavior (BULB) programs provide opportunities to make connections to youth and provide positive reinforcement for improving their behaviors. A Linn County Mental Health crisis worker is working with officers in the community. Social media outreach includes Facebook, Twitter, My PD App, and the webpage. Roberts said she is a certified practitioner in Crime Prevention Through Environmental Design (CPTED), which looks at the built environment to prevent crime, and she has worked with Planning on voluntary site plan reviews. Other projects include Airport Road to Waverly Cemetery, Oregon State University Shred Day, Dave Clark Trail cleanup and enforcement, an online bike registration, a wanted persons webpage, a treasure hunt with over 450 children accessing the Albany Police Department APD, Safety Camp with over 200 kids participating each summer, and grants and partnerships.

Kellum asked if there is a list of people who have security cameras pointed toward the street. Roberts said no, that is on a long list of things they would like to do. Kellum said there are a number of businesses in his area with cameras but operating them can be complicated; having someone in APD who knows those systems would be a benefit to everybody.

Summers asked how the APAK and BULB programs are going. Roberts said they are finishing the first full school year with the programs. She gave an example of one student who was encouraged through the program to pursue her interest in gymnastics, which has motivated her to stay in school. Summers asked what other evaluation points will be used. Roberts said essays will be written by the kids, input will be sought from school administrative staff, and the School Resource Officers will continue to check in.

Budget Committee Member Scott Pierson said he hears great things about the efforts that have been started. He asked the Chief to identify his greatest challenge or difficulty. Lattanzio said the community and businesses have been very receptive; the challenge is having enough personnel to do all the things they are trying to do.

Mayor Sharon Konopa said she has enjoyed the BULB breakfasts. She said the children are nervous at first but after visiting with school counselors and police in a casual way, they are leaving having had fun and feeling that City Hall is a friendly place. The parents, too, are very proud of their children. This has been a great program that is touching the lives of many youth.

Lattanzio said the department has had seven frozen positions. He is bringing one back in July which leaves six frozen positions, three of which are sworn. The Equipment Replacement Fund is currently underfunded by \$140,000 annually. The current need is more sworn officers. Given the budget constraints, if one additional officer was unfrozen, the position would be allocated to a traffic position. It takes about a year to get someone fully trained. He has cut back on training time by hiring lateral officers with experience. The increase in personnel is due to bringing in experienced officers at a higher step. The largest increases in the General Fund budget are for Personnel Services, Insurance & Bonds, Maintenance Communications Equipment, Administrative Services, and Information Technology (IT) Services, none of which he has any control over. The remainder of the proposed budget remains pretty flat.

Budget Committee member Jeff Christman asked if adding an officer would help reduce over-time, currently budgeted at \$540,000. Lattanzio said overtime covers minimum staffing, training, and court time. An additional officer may help reduce that somewhat, but he doesn't think it would be by much.

Kopczynski asked if there are applications coming from folks getting out of the service. Lattanzio said some people from the military have been coming through the Police Academy. The issue is getting people through field training which is more intense; some people handle it well, and some do not.

Pierson said he heard that a canine may be retired because it was trained for marijuana. Lattanzio said they are working on a solution to see if the dog can be retained and, if not, they will need to retire the dog and purchase another.

Summers asked what the department is doing about identifying drivers under the influence of marijuana. Lattanzio said several officers have undergone drug recognition training and two are instructors. This is a skill set with certifications.

Christman commented that, other than Personnel, the two largest budget items are Central Service Charges and IT; these items make up almost \$900,000 of the department's budget and that is unfortunate.

Pierson commented that he raised this issue last year when he talked about priorities. He said Police services are underfunded and we are still not doing anything to address that. The greatest priority is to have a safe city and he thinks we should be taking steps to start addressing having adequate personnel in our Police Department.

Konopa commented that there are a lot of City programs that alleviate the demand on Police and Fire. She noted that many communities impose a public safety fee on utility fees and that is an option; however, the budget is so lean that if we start whittling away with programs that support amenities and affect livability, it will have an impact on the Police Department.

Folden asked why the Chief would choose to add a position to Traffic as opposed to the Street Crimes Unit. Lattanzio said the Street Crimes Unit was just established and he wants to give it time. Folden asked what the Chief hopes to accomplish by adding back Traffic officers. Lattanzio said he is hoping to change driver behavior and reduce accidents.

Summers asked if there has been a reduction in accidents where we are using the traffic camera, and Lattanzio said yes. Roberts added that requests are received almost daily for traffic calming in neighborhoods.

Folden asked if the cost for an additional officer would be similar if they were deployed in other ways. Lattanzio said there may be a small reduction in equipment costs. His goal is to get more visibility in the community to affect traffic flow and collisions, and reduce crime.

Fire Department

Fire Chief John Bradner gave the Albany Fire Department budget presentation for Fiscal Year 2015-2016. He said the Fire Department responds to fire and medical emergencies in the city and three surrounding rural fire districts. The fire protection service area is 81 square miles and the ambulance service area is 205 square miles. About 85% of calls are medical and 15% are fire. The current average for emergency responses is 20.4 each day, compared to 18.8 in 2014 and 17.3 in 2013. Ambulances transported 3,806 patients to hospitals last year, 219 more than the previous year. The Fire Department also does training, public education, fire investigations, fire code inspections, plan review, City emergency management, ambulance billing and collections, and the FireMed program.

Bradner said the Fire Department operates under three budgets: 1202-Public Safety Levy, 1203-Fire & Life Safety Services, and 1208-Fire Department Emergency Services. Going into this year's budget process, his direction was to reduce materials and supplies, focus funding toward adding personnel to deal with the increased workload, and address equipment replacement needs. The total department budget is about \$13.2 million, a 2.99% increase from FY 2014-2015. This includes a 4.41% increase in personnel costs and a 2.72% decrease in materials and services. In FY 2013-14,

the Fire Department generated revenue of about \$4.2 million from ambulance service fees, the rural fire districts, grants, FireMed, and other sources.

Summers asked what is to be cut under materials and services. Bradner said the focus was on reducing materials and supplies.

In response to inquiries from Kopczynski and Kellum, Bradner explained that the revenue from FireMed currently exceeds the costs of providing the service.

Bradner said the proposed budget is a status quo budget with minimal changes. It includes a one-year decrease in materials and services, and it expends all in the Equipment Replacement Fund. It is proposed to implement a new emergency staffing program which would focus on cost-effective ways to provide basic life support and keep advanced life support equipment available for those calls. The department's challenges are the same as reported last year - provide consistent, adequate emergency response staffing; address community hazard/risk reduction with reduced Life Safety Division staffing; and finance equipment replacement needs. He reviewed graphs showing Annual Emergency Calls, Emergency Calls Compared to Population, Calls Per Firefighter, and Fire & Life Safety Inspections. He noted there has been an increase of more than 1,000 calls over the last two years, a 16% increase, and this has had a negative effect on response times. The national standard for emergency medical calls is 6 minutes; the average here was about 7½ minutes. The national standard is to get 15 people on scene of a structure fire within 8 minutes; the average here was about 9 minutes. The effects of this are that fires will grow and people will have untoward outcomes on medical calls because it is taking longer to get there.

Councilor Floyd Collins asked if an increased number of senior care facilities has added to calls for service. Bradner said yes, it is estimated that every bed in a senior facility equates to one additional call for service annually. A new 143-bed facility in North Albany could result in 143 additional calls for that station.

Konopa asked what is causing the longer response times. Bradner said the biggest issue is overlapping calls, with crews needing to come from other stations to cover for units that are out on another call. A 20-call day was once considered significant, but now it is average. They run out of medic units on a daily basis and often rely on mutual aid partners such as Corvallis, which results in longer response times and loss of revenue for Albany.

Summers asked if it is time to consider more stations in order to reduce response times. Bradner said at some point it will be necessary to consider a fifth station for the community.

Kopczynski asked if Albany assists Corvallis under the mutual aid agreement. Bradner said yes, but we utilize their services more than they utilize ours.

Kellum asked if the increased calls are of any particular type. Bradner said there is a larger volume of the same type of calls based on population, as well as an increase in calls for public assistance, such as falls. They are proposing the new basic life support unit to help handle those calls.

Konopa said there is a demand for that service with the senior facilities, which are sometimes unable to pick up someone who has fallen. Folden noted the facilities could purchase lifts to do that work, but instead they rely on the Fire Department.

Bradner noted a significant increase in calls per firefighter, a 40% increase in workload since the new stations opened. The impact is an increased number of work-related injuries with the department at 7,400 hours of time lost due to work-related injuries this year. The heavy workload also affects the ability to get call backs, as fewer people want to come in on their days off.

Kopczynski asked if the six firefighters hired temporarily with the SAFER grant were able to find other jobs. Bradner said the department was able to retain five of the six through attrition and one was hired by Eugene. They are in the

process of applying for the SAFER grant again, but it is a competitive process and, even if successful, it is not a permanent fix.

Bradner reviewed a graph showing the department's Equipment Replacement Fund Needs of \$810,000 in FY 2016 and \$1 million in FY 2017. The total five-year equipment replacement need is just over \$3 million.

Summers asked if the City Council has explored a service fee for facilities that are expected to have repeated high levels of calls for service. Bradner said staff has had conversations about a potential fee for nonemergency services where personnel are augmenting the facility's staff. This is something that Council may see come forward.

Kopczynski asked why there was a drop in the insurance and bonds expense line item. Bradner said that is a fixed number he receives based on experience.

Kopczynski asked why there was an increase in the power and lights line item. Bradner said that is based on where they are with experience this current year.

Kellum asked what is covered under the breathing air line item. Bradner said the expense is related to hydro-testing and replacing bottles. The air packs need to be replaced every 15 years, and that will be coming up in about five years.

Collins asked if there is an opportunity to bill insurance for responding to accidents where nobody is transported. Bradner said his counterparts in communities who do that have said the amount they receive generally offsets the administrative costs. This is something that will be looked at in the future, but he doesn't want to bring on a program and not have the ability to support it administratively.

Pierson asked if staff breaks down response times. Bradner said yes, they track the time from call received to dispatch, as well as each segment of the response time. Pierson asked if the higher response times will affect citizens' insurance rates by the Insurance Services Office (ISO). Bradner said insurance rates are based on the current ISO rating of "3", which could potentially be impacted in the future.

Summers asked at what population the current number of stations would be inadequate. Bradner said it isn't necessarily a population driven equation; it also has to do with demographics and travel distance and it is really driven by response times, which is why the 7.5 minute response time is concerning.

Kellum asked if response times are broken out by area of the City. Bradner said no, he currently has to calculate response times manually but he hopes to have the ability to generate more information with the new software.

Collins complimented the Fire Department and Chief. He had an event where he had to call for service and it's not just the response time, but also the quality of service they deliver to the patient and family members. He appreciates what they did for him and what they do for the community.

Parks and Recreation

Parks and Recreation Director Ed Hodney gave the Parks and Recreation budget presentation for Fiscal Year 2015-2016. He said the department strives to be good stewards of public parks and facilities, and to promote healthy living through recreational opportunities. He encouraged that public safety be thought of in a broader context, with each City department having a role in making sure the City is a safe place, a healthy place, a well place. Parks & Recreation emphasizes healthy and well, and also works in collaboration with Police and Fire to help with safety.

Hodney said the department manages about 900 acres, half in conservation easement and the remainder in active parks. The maintenance division maintains the historic Monteith House, landscaped street medians, and downtown streetscape. The urban forest management program maintains 14,000 public trees. Albany is known for its award-winning festivals and programs, which attract people to the community, resulting in a \$4-5 million direct impact. The department service areas include recreational, educational, and arts and cultural experiences, including the Senior Center. They take care of 19 City buildings and grounds. Aquatics and sports also have an economic impact on the community and that is

growing every year. The department also covers City Hall reception and customer service. They manage three Commissions and they are responsible for the City's public arts program.

Hodney said all of the above is done with the help of partnerships, volunteers, and generosity in the community. Gifts and donations total more than \$500,000, and volunteers donated 38,000 hours valued at \$650,000. In addition, the department is effective and efficient with the resources they are charged with managing. Since 2011, seven FTE have been eliminated and a number of positions have been reclassified to manage costs. They have eliminated most capital project funding, except Parks System Development Charges and outside grants. Two-thirds of all work is done by contractors and volunteers. The City's on-line survey shows that customers think the department is doing very well.

Hodney said the department operates in three funds and 13 programs. He reviewed graphs detailing the Revenues, P&R Fund 202 Expenditures, and Operating Program Expenditures. In terms of issues and challenges, he said the Parks Master Plan will be updated next year; projects in the 2006 Master Plan have been removed from the Capital Improvement Program due to lack of funding; and the Sunrise Park renovation is the only capital project in FY 2015-2016. He has elected to delay development of the East Thornton Lake Park indefinitely, because there are not funds to operate the park. They have a growing repair and maintenance backlog, and current staffing levels are inadequate and already stretched to the max.

Kopczynski asked what is covered under the street resurfacing line item in the Parks Maintenance Services budget. Hodney said that goes toward the maintenance of gravel parking lots.

In response to an inquiry from Folden, Hodney said there is an ongoing conversation about the transient lodging tax; the proposed budget reflects the total allocation as directed by the existing policy.

Summers asked why credit card fees are so cyclical. Hodney said those fees are directly related to participation rates and to a continuing trend of paying with plastic. Summers asked if consideration has been given to building in a service fee to cover credit card fees. Hodney said that would be a Finance policy decision. Finance Director Stewart Taylor said there have been changes to the regulations to where the City could consider imposing a convenience fee.

BUDGET COMMISSION DISCUSSION

Folden referenced Adjustments to the 2015-2016 Proposed Budget, at Committee members places (see agenda file).

Coburn, Collins, and Kopczynski said they would be unable to attend the May 21, 2015, Budget Committee meeting.

OTHER BUSINESS

There was no other business.

NEXT MEETING DATE: Thursday, May 21, 2015

Folden said, this meeting is continued to May 21, 2015, at 6:30 p.m.

ADJOURNMENT

The meeting was adjourned at 9:15 p.m.

Respectfully submitted by,

Teresa Nix
Administrative Assistant

Reviewed by,

Stewart Taylor
Finance Director



CITY OF ALBANY
BUDGET COMMITTEE MEETING
 City Hall Council Chambers
 333 Broadalbin Street SW
 Thursday, May 21, 2015
 6:30 p.m.

MINUTES

CALL TO ORDER

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

ROLL CALL

PRESENT: Budget Committee Members Sue Folden, Colleen Keller, Jeff Christman, Scott Pierson, Michael Thomson, and Will Summers; Mayor Sharon Konopa; and Councilors Rich Kellum, Bessie Johnson, and Dick Olsen

ABSENT: Councilors Ray Kopczynski, Bill Coburn, and Floyd Collins were excused. Dick Conolly was absent.

PUBLIC COMMENT

None.

CONTINUE REVIEW BY DEPARTMENT

Folden described the items on the dais: A letter from City Councilor Ray Kopczynski (see agenda file); a document titled "Adjustments to the 2015-2016 Proposed Budget" (see agenda file); and a memo from Economic Development & Urban Renewal Director Kate Porsche (see agenda file).

Information Technology

Assistant City Manager/Chief Information Officer Jorge Salinas began a PowerPoint presentation (see agenda file). He summarized Information Technology's (IT) accomplishments in the 2014-2015 Fiscal year, including:

- Saved \$106,000 with the new energy management program
- Deployed the Eden module TOPS to send electronic pay stubs instead of printed ones
- Deployed the Open Budget and Open Expenditure application
- Launched ePlans in 2014
- Launched the Accela permitting system in 2014

Salinas showed performance statistics for ePlans and Accela. Since 2008, the Building Division is down eight full time equivalent (FTE) employees yet able to absorb the workload with these tools.

Salinas said another IT change has been to the Strategic Plan. He said, we are able to take information from the Strategic Plan and use it in metrics on the website, so citizens can see how we're doing at meeting our Strategic Plan objectives. He did a quick demonstration for the Committee. Councilor Dick Olsen asked for a further demonstration. Salinas said he would provide a demonstration for the City Council at a future meeting.

Salinas also presented Socrata, which takes data from the Dashboard and displays it visually on the website. Councilor Rich Kellum asked if there is a way to see what is spent on outside vendors. Salinas showed the Committee how to do that. City Manager Wes Hare added that for five or six years the City has had a robust system for accessing City financial information. This tool is a much more user-friendly way to get the information, and it can do more sophisticated analysis. For people truly interested in where the City's money goes, this is the easiest way to get it in the country.

Committee Member Scott Pierson asked if this is a bolt-on to our application. Salinas said it's an application provided by Socrata. We export our data and upload it to the cloud on their site. Pierson asked if we can use this for Building and others. Salinas said yes. Pierson said he is a software developer, and this is a phenomenal piece of software, the best he's ever seen. Pierson asked if IT plans to implement for Police and Fire as well. Salinas said yes.

Committee Member Will Summers asked if the program could be used so that people submitting for permits could see where they are in the process. Salinas said not yet, but they are looking for ways to get that information to people. They would like to find a tool similar to this.

Hare said the City has implemented better customer-friendly software in Building. He said, we can do this now because we adopted the Eden financial reporting system eight years ago. For Police and Fire, we are limited by our ancient dispatch software. Summers asked when the City expects to replace the old software. Hare said, we hope to get CAD/RMS next year.

Salinas briefly described planned projects for Fiscal Year 2015-16.

Summers asked about security threats on an annual basis. Salinas said there are thousands of attempts per day, by robots, not people. We layer security systems, so we have different nets to catch different things. As a public entity, it's harder to hide from threats. Keeping our data secure will be more of a focus. Pierson asked several further questions about security, which Salinas answered.

City Manager/City Council/Economic Development

Hare spoke briefly about Code enforcement, which includes the annual Community Cleanup fund. The fund is also used for situations such as a neighborhood nuisance that no one will take responsibility for. In these cases the City tries to recover cleanup expenses but sometimes isn't able to.

The City Council budget is slightly higher this year, because of higher expected expenses, including memberships in Council of Governments and League of Oregon Cities. The Councilors' stipend remains the same.

The City Manager's budget shows a 500% increase in Minor Equipment to reconfigure the Administrative Assistant's cube.

Councilor Bessie Johnson asked how the City decides on the amount of the City Attorney's retainer. Hare said City Attorney Jim Delapoer tries to limit his increases to the same as City staff gets. Albany gets very good value from the City Attorney. The contracting approach seems to work well for us.

Economic Development and Urban Renewal Director Kate Porsche said the Economic Development budget is built on the current policy, which is the Transient Lodging Tax (TLT) policy. The policy includes specific guidelines for allocating the funds. She noted that TLT revenues are increasing. The transfer in from Central Albany Revitalization Agency (CARA) covers her salary and a temporary employee or paid intern.

Porsche pointed out that the outside agency grants funded by the TLT have increased according to two patterns. The Albany Downtown Association, Albany Visitors Association, and Albany-Millersburg Economic Development Corporation grants and the Albany Airport Capital Reserve are up 3%. The others, considered "new" programs, receive the remainder of the TLT divided proportionately. With the increase in TLT funds this year, these programs have a funding increase of 112%.

Porsche said the overarching issue is the allocation of TLT funding for the outside grants. The ad hoc TLT Committee recommended partnering with Linn County to fund the new position for the Expo Center. Discussion followed about the formation of the ad hoc committee and who is responsible for the Expo Center marketing position. Porsche said the important thing is that work has been done and is still underway. The TLT ad hoc committee has made further recommendations that are not part of this Budget.

Porsche said the second “moving part” is Hare’s proposal. She handed out pie charts for the 2015-2016 Proposed Budget (see agenda file). Hare proposes that all outside agencies get a 3% increase, but that the extra funds go to the Police and Fire Equipment Replacement Fund, instead of to the other agencies. She explained the “Breakdown of Line Items for TLT Uses” (see agenda file). Porsche suggested that this is sufficient for the Budget Committee level discussion, and suggested talking about the overarching allocation of the TLT at the City Council level.

Committee Member Jeff Christman asked where the \$90,000 is in the Budget. Porsche said there was no Intergovernmental Agreement (IGA) when the Budget was built, so the ad hoc committee proposed transferring funds from the Collaborative Tourism Promotion (CTP) line item and reducing a reserve line item for the first year. She said, next year we will have to look at it again. Kellum said he understands that the Expo Center marketing position is funded at \$40,000 and up to \$50,000 in commissions for two years, to be reevaluated every six months. Porsche said yes. Discussion followed.

Hare explained that the Budget represents authority to spend, so the Budget Committee can spend in the CTP line item or create a new one. Once the City signs an IGA with Linn County, this Budget gives the City the authority to spend the \$90,000. Finance Director Stewart Taylor said Finance would want a line item to be created for the expenditure.

Christman said there is specific language in the TLT policy governing how the reserve is to be spent. He read the policy, which says the reserve account will only be used to offset declines in revenues. He said this is a significant policy change. Hare said yes. Porsche said it isn’t uncommon for cities to use TLT for other items like this. Albany is required by statute to use 40% for tourism. The remaining 60% is at the Budget Committee’s discretion. We have the opportunity to take this significant excess and put it toward much-needed Police and Fire equipment.

Folden asked how management would decide who gets the money. Hare said it would depend on need. The Police Department is leasing cars and doesn’t have money put away to renew the leases. Fire Department equipment scheduled for replacement is wearing out. Hare hopes to see continued increases in the TLT and in property tax revenues that will allow us to start making up some of the ground we’ve lost in recent years.

Folden said it would take a policy change to reduce TLT allocations to any of the programs, but Hare thinks it would be a better use of funds to allocate the money to Equipment Replacement. Hare agreed. He said some of the smaller recipients haven’t requested additional funds or even used the funds already received. He asked, why give them 112% more when we don’t have money to replace Police and Fire equipment?

Christman said the Budget Committee is seeing two different ways to spend TLT funds. He asked, what is this group being asked to do? The Budget Committee can’t set policy; that is done by the City Council. Hare replied that the Budget Committee is to consider the Budget as proposed, which has been constructed according to current City policy. The Budget Committee could recommend that the City Council change the policy to allow the TLT excess go to Equipment Replacement. Budget Committee approval of the change is not required, and the Council could do it independently. But since it is a big issue, he wanted to get it on the table for discussion. He would prefer that the Budget Committee move to recommend allowing the excess TLT to be allocated to Equipment Replacement.

Hare described the different roles of both governing bodies and the discretion the Budget Committee has to make recommendations.

Mayor Sharon Konopa said that the TLT Committee could reconvene and review the changes and send recommendations to the Council before the Council adopts the Budget.

Johnson asked Hare, if the TLT funds decline, which programs would receive decreased funding? Hare said the “new programs.” A declining TLT would signal a downturn in the economy, and his bias is toward performing the essential services. Johnson said she agrees that the City needs to start putting away money for Equipment Replacement.

Summers said he’s having trouble visualizing how Hare’s proposal would fit into the Proposed Budget document. Porsche said part of that is on the charts she handed out.

Kellum said he doesn't mind if the TLT helps Equipment Replacement as long as the other programs are kept whole, but he doesn't think the budget will look like the chart if the TLT committee recommendations are even partially adopted. He has a problem with idea of approving something that will change.

Folden said changes happen throughout year after the Council adopts the Budget, but the Budget Committee doesn't have to reconvene. Taylor said that under Oregon law the Budget Committee's role ends when they approve the Budget. The Budget creates the spending authority, which is the total of all the budget programs. The TLT is a program within the Economic Development budget. The City Council can modify policy during the year. Some of those policy changes may change authority to spend in the budget. Depending on the amount of the change, a change may trigger the public notice process.

Hare said that in the interest of transparency, he made his recommendation to the Budget Committee here so that they were not surprised later.

Pierson said, rather than continuing to discuss this \$193,000 item, he recommends moving on. He said, let the Council determine if they want to change the TLT policy. The Budget Committee can ask the Council to reevaluate, but the Council makes the decision.

Christman said the TLT revenue is \$942,000. When he adds up the expenditures he comes up with over \$1 million. Porsche said the difference is the Beginning Balance, which includes the \$100,000 reserve. Hare added that \$942,000 may be a conservative number.

Olsen asked why the TLT revenue continues to increase. Hare said that according to transient room literature nationwide, the biggest variable controlling revenue is the state of the national economy. When the economy is good, people travel more. Konopa said Oregon Travel's recent report showed that the Albany area had the highest percentage increase in the state this year in hotel tax revenue. Olsen said, if we're doing so well, he thinks it's good to take some out for Equipment Replacement.

Summers said the Beginning Balance is 20% of the Budget, which is a lot higher than other beginning fund balances. Hare said the Beginning Balance for Building is also very high. That is intentional because the City recognized after 2008 that the construction market is volatile. Now they are purposefully being conservative, which the City does by policy. Taylor said that for the TLT, the beginning balance reflects that revenues have exceeded budget, and expenditures are under budget. That reflects the policy of overstating expenses and understating revenue.

Human Resources

Human Resources (HR) Director David Shaw gave a short Power Point presentation, and called for questions.

Pierson asked how many new workers compensation claims were filed this year. Shaw said he doesn't have an exact number, but there are usually about 35-50 claims at any time, for fewer than 400 FTE. Many of those aren't time loss claims. Police, Fire, and Public Works have the most claims.

Shaw said HR discussed adding back a position that was defunded in 2011, but decided not to add it back this year, because of budget restraints.

Hare said he thinks the City has cut more training than we should have. Lack of training has led to specific issues that have cost money, so increased training would help to head off problems before they become more serious. He thinks we are overdue on some training needs.

Folden asked which departments have reduced FTEs by shifting work to temporaries or volunteers. Hare said that for all the years he's been at the City of Albany, the increase in the cost of labor has been larger than the increase in revenue, which is not sustainable. Management has had to be creative in order to minimize layoffs.

Folden asked what the City has done to reduce healthcare costs with wellness programs or health assessments. Shaw said the City has had a wellness program for the last few years where participating employees' premiums were reduced. This year the City is making changes in health insurance, but once that is done, they will implement a new wellness program.

Finance Department

Finance Director Stewart Taylor showed the final slide of a PowerPoint presentation. He described the Finance Department's successes with electronic payments. Using electronic payments reduces the costs of processing payments to the City and offers rebates on purchases. Taylor said chip-and-pin technology is coming in October, for added credit card security. It will require a hardware change-out for the City. Finance is working with IT to change out the hardware and to remain Payment Card Industry compliant in protecting personal information.

Taylor also described success with purchasing cards. This last year the City received a rebate of over \$17,000 on credit card purchases. The rebate is applied back to the credit card fee line item.

Taylor told the Budget Committee that the City would be selling bonds on May 25, 2015. The budget changes in the resolution on the dais include some that are needed to implement the bond sale.

Johnson asked if the medical marijuana facility permit is a business license and what it costs. Taylor said it is not a business license. It costs \$100.

Christman asked, if someone wanted a list of all the money spent out of the Pepsi settlement, could they get it? Taylor said yes, he could send it by e-mail.

BUDGET COMMITTEE DELIBERATION

Christman says he struggles with the TLT discussion. He isn't pleased with the idea of modifying the Budget resolution on the dais, but he would like to accept Hare's proposal, because he thinks it's the best compromise that could happen with the group that is present. Summers said he supports Christman's comments. He thinks that with unexpected revenues like this, it makes sense to put them where they are really needed and will be really useful.

Pierson said he favors saying the Budget Committee approves the Budget, and recommends that the City Council review the TLT to identify changes in allocations and maximums, and possible limitations to the Beginning Balance.

Christman said that he would have a hard time explaining to anyone why funding for the CPT is increasing by 112%. Hare said he understands the Budget Committee's reluctance to change City policy. Nothing prohibits the Budget Committee from saying they approve the proposed budget with the recommended changes. The Council could still look at the policy and make their own decision.

Konopa said she believes the intent of the Council in establishing the TLT policy was to build a reserve of some kind, not to allocate all of the extra proceeds every year; but the current policy keeps the allocations. She agrees that a 112% increase is too high.

Committee Member Michael Thomson said the Budget Committee has seen clear warnings about the need to address the Equipment Replacement funds. Now some money has been found. It may get fought over, but we have to start building the Equipment Replacement fund again. He thinks this is a great start.

Pierson asked if the Committee should recommend keeping the CTP at 3% and splitting the \$193,700 between Police and Fire, and that the City Council consider a policy change to allocate at least some of it to Equipment Replacement.

Kellum said he could vote for approval of the Proposed budget and a recommendation that the Council review the TLT and where it goes.

CONSIDERATION OF RESOLUTION

There was a resolution on the dais (see agenda file).

MOTION: Christman moved to approve the 2015-2016 Proposed Budget with the amendments on the dais; and strong recommendation that the Council review the Transient Lodging Tax and how it is distributed. Kellum seconded the motion and it passed 10-0 and was designated Resolution No. B-2015-1.

OTHER BUSINESS

There was no other business.

ADJOURNMENT

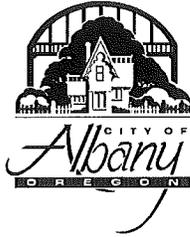
There being no other business, the meeting was adjourned at 9:12 p.m.

Respectfully submitted by,

Mary Dibble
City Clerk

Reviewed by,

Stewart Taylor
Finance Director



CITY OF ALBANY
BUDGET COMMITTEE WORK SESSION
City Hall Council Chambers
333 Broadalbin SW, Albany
Monday, January 25, 2016
6:30 p.m.

MINUTES

CALL TO ORDER

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

ROLL CALL

Present: Budget Committee Members Susan Folden, Dick Conolly, Colleen Keller, and Michael Thomson; and City Councilors Sharon Konopa, Bill Coburn, Floyd Collins, Bessie Johnson, Rich Kellum, Ray Kopczynski, Will Summers, Scott Pierson, and Dick Olsen.

Absent: Jeff Christman.

PUBLIC COMMENT

There was no public comment.

BUDGET CALENDAR

The Budget Committee discussed the options for meetings in May as outlined in the agenda packet.

City Councilor Dick Olsen arrived at 6:33 pm.

MOTION: City Councilor Ray Kopczynski moved to approve Option 2 as the schedule for Budget Committee meetings in May. Colleen Keller seconded the motion. The motion passed 12-1 with Olsen voting no.

CITY MANAGER REPORT

Strategic Plan

City Manager Wes Hare said there is no reason to back away from the goals in the Strategic Plan this year. The revenue projection is positive enough that we can maintain service levels and maybe make some gains. Revenues increase from 5.5 to 8 percent in some elements of the General Fund. This is much better than in the past for this time of the year. We believed that the financial picture would improve as the economy improved, primarily due to the assessed value of new construction. The new Lowe's and another new care facility are adding to our total assessed value, which increases revenues for the City.

Hare also said that increased property values means we lose less to compression. He expects that trend to continue. We are now in a position to maintain what we have and continue to provide services. He credits staff and directors with finding solutions that lower costs, such as the Fire Department grant for a community paramedic position to help with their heavy caseload and reduce the number of ambulance calls. Police Chief Mario Lattanzio has made innovations in the Police Department that target their resources more effectively. All of the directors are finding better ways to do things. The Strategic Plan update does not anticipate any cuts in service, and Hare thinks we may see new additions in this year's revised Strategic Plan.

Budget Outlook

Hare said the outlook on the revenue side of the budget is positive. The negative news is that while revenues increase, so do expenses, for things that are largely beyond our control, like PERS. The courts recently disallowed some good ways to reduce PERS costs, leaving local governments with a large PERS liability we have to make up. For health insurance, we are somewhat subject to what happens on a national scale. Our costs are also influenced by our City experience, over which we don't have a lot of control. We still need to balance the increased expenses and maintain service levels. We've managed to match revenues to expenditures, so that last year our General Fund ending fund balance increased slightly. We want to try to increase it again. The present level is still low. For several years, we've had the luxury of the "Pepsi money," an unrestricted reserve outside the General Fund, but the City Council has designated much of that now, most of it for the police and fire stations and a cooperative project with Linn Benton Community College and local industries for workforce training. As that fund declines, it's even more important to build up our General Fund to maintain our bond ratings.

Hare said tonight the budget team plans to present the basic information he just mentioned, then Finance Director Stewart Taylor will discuss budget trends and Assistant City Manager/Chief Information Officer Jorge Salinas will present the long-range financial needs assessment the Council directed staff to produce.

Keller asked if the majority of City employees are PERS Tier 1 or more recent hires. Hare said the majority is probably more recent but there is still a substantial number who are Tier 1.

Folden asked when the Strategic Plan will be updated. Hare said sometime in February.

Folden asked, using the Safe City objectives as an example, what is the process for prioritizing the objectives based on how much money is available? Hare said each director is asked to look at the objectives and revise them if necessary. The City Council can then adjust the funding accordingly if they want to.

Folden asked how the City prioritizes between different categories, such as Safe Cities and Great Neighborhoods. Hare said the directors and their staffs choose what they think are the important issues, and the Council reviews their choices. Sometimes a department may have to cut back on one thing to meet other demands. Folden asked if Department Directors negotiated with each other for funds. Hare said no. That discussion sometimes happens as part of the budget process.

Folden said equipment replacement across the board hasn't been fully funded for years. She thinks some departments hope for grants to finance some equipment replacement. Hare said looking at other options to fund equipment replacement for Police and Fire should be a priority this year. There isn't a funding problem in the enterprise funds. Police and Fire have not funded equipment replacement because it would mean laying people off. We can't replenish the funds with operating dollars without accepting lower levels of service. But he thinks there are some options.

FINANCIAL TRENDS AND FORECAST

Finance Director Stewart Taylor thanked the Budget Committee for their participation. He described the budget process and how this work session fits in. Departments are already working on their requested budgets, which will be brought to Hare and Taylor for review. The balanced budget will then be brought to the Committee. At this Budget Committee Work Session, staff usually presents a financial trends analysis and a three-year forecast. This year, staff will also present the longer-term financial analysis put together by Salinas.

Taylor said the financial trend analysis follows the International City Management Association (ICMA) model. The forecast suggests various financial relationships that indicate financial health. The warnings in the report don't mark current problems, but indicate that the current trend matches the warning trend. The City has addressed several of these "red flags" in the last four budget cycles.

Taylor pointed out a change on page eight of this year's report to the revenue indicator "Property Tax Lost to Compression." Compression has a large impact on Police and Fire revenue. Public Safety levy funds are collected in

one fund and then moved to the General Fund in support of those activities. In the last few years, compression has increased dramatically. This year, compression has decreased. He explained why. Compression is beginning a new trend of going down in coming years.

Taylor pointed out the ending fund balance on page 21, which also shows a change in direction. The ending balance has been trending downward because of smaller gaps between revenue and expenditures. In the current year, the City received income above what was anticipated. The reduced rate of compression was one contributor. This year, expenditures are expected to be similar to previous years, but the increase in revenue will create a larger ending balance.

Kopczynski referred to Total Expenditures on page 13. The comment at the bottom of the page indicates that expenditures have been relatively flat, but he thinks they jumped between 2014 and 2015. He asked if the increase was due to PERS and health care costs. Taylor said yes, it is PERS related. The City's auditors said at the recent Audit Committee meeting that local governments will have to make up an unfunded liability in the PERS system. Under the new GASB68 reporting requirements, the City has to show its piece of the unfunded liability on its financial statements. There is a gap between dollars available now and dollars committed to future retirees. Because the gap is large, it is funded through current earnings or future contributions. PERS earnings have been about 5% lower than estimated. He explained the calculations. The City's PERS costs will go up about 20%. The City anticipated large increases, so we budgeted more than we will actually spend, in order to create a reserve. So part of the Total Expenditure is not money actually spent, but pre-budgeting to build up the account so we can make large payments in the next biennium.

City Councilor Rich Kellum asked if the Dow Jones' "rocky road" early this year was factored into the forecast, or if the forecast was made before that. Taylor said the forecast happened before that. As changes in the market become changes in the economy, they affect the local community. Hare said the City's General Fund primary revenue source is mostly property tax, which is less volatile than income or sales taxes. When there are changes in the national economy it takes longer for us to feel the impact, but it also takes us longer to recover.

Budget Committee Member Will Summers asked what assumption is being made about the percentage change in growth of property value over three years. Taylor said per his assessed value table, change in assessed value equates closely to change in property tax, so the percentages represent the average. Linn County and Benton County have different rates of growth. Taylor tracks them separately, but the percentage given is a combined rate of about 3.5 percent growth.

Folden asked if franchise fees are still declining. Taylor said some are up and some down. The City Council this year implemented an increase in the electrical franchise fee. The next budget year will be a full year of that increased rate.

Folden asked about the transient lodging tax. Taylor said the City Council gets a monthly report, and the amount of tax collected continues to increase each month. Summers asked if someone has analyzed why it is increasing. Kellum said the hoteliers believe the increase is coming from the increase in I-5 traffic. Hare said the number-one variable for transient lodging tax is the condition of the national economy.

LONG TERM FINANCIAL PLAN

Salinas passed around the "Long-Term Financial Plan Analysis & Assumptions" (see agenda file), and the "Financial Planning for COA 2016-2026" (see agenda file). He mentioned the Financial Needs Assessment document, which was compiled after directors identified their departments' personnel, capital, and equipment needs now and for the next ten years. This document is still being updated. The "Long-Term Financial Plan Analysis & Assumptions" is a single-page document developed from the needs assessment.

Salinas said the financial plan has several components: population information, general information, city revenues and expenditures, and the financial needs assessment. The Financial Planning document is easier to understand than trying to go through all the pages of the needs assessment. The work is the result of a request from the City Council to look at the City's long-term needs, to provide background on budget changes and recommendations during the budget process.

Salinas asked for guidance in making the planning document a useful tool for the Budget Commission.

Summers asked where the assumptions for the population forecast came from. Salinas said the population forecast came from Portland State University.

City Councilor Floyd Collins said he has been talking to staff about this. He thinks the departments have evaluated their needs given current conditions. The purpose of the Budget Commission's review of the written document is to give them the opportunity to prioritize functions. Once the Budget Committee sets priorities, the assumptions may change, so the needs assessment will reflect those priorities. The Council has been asking for years for the ability to prioritize services. There are two ways people look at things: data, or words. The financial management plan is a communication and planning tool for the community. We are looking at the ratepayer or taxpayer's pocketbook. We have to be able to prioritize all of our services. It is important to discuss each component, and this becomes an attachment to that report. These need to be explained so the public understands. It affects our credibility with the public. We will have to go to the public more and more, so they will want to know how these things fit. The integrated financial management plan does that, and these documents become the attachment that we test against each year.

Kopczynski said it all starts with the Strategic Plan. He asked, is that the right tool to start with? Collins said he thinks you have to prioritize first, and the Strategic Plan is how you implement those priorities. Discussion followed about which should come first, the priority list or the Strategic Plan.

Assistant City Manager and Chief Information Officer Jorge Salinas said the Strategic Plan is the driver for how we operate. The financial needs are tied back to elements in the Strategic Plan. This spreadsheet is a subset of a bigger spreadsheet with additional details. This spreadsheet shows how the information ties back to the Strategic Plan themes.

City Manager Wes Hare said we may be arguing semantics over substance. We have measures that we can use to gauge our performance. Some of the measures in the Strategic Plan are not valuable for prioritizing, but others are. We know it's a good plan because we have received awards for it. Discussion followed about the Strategic Plan and its use as a tool. Hare does think staff could do a better job of tying Salinas' documents into the Strategic Plan.

Collins said for the public safety levy, the City needs to make advance decisions on options for equipment replacement, for example. The priority needs to be shown so the Budget Committee can determine where to put the level of effort in a particular year. It has to be laid out in terms of timing, but also so the City can communicate with other taxing jurisdictions, which are going to the same general public. How will other jurisdictions' plans affect our plans? We need to communicate with the regional community, not just the City of Albany.

Hare said we already do that quite effectively. Not all the prioritization is objective. Some is subjective, such as, "do we lay off employees now to make sure we have equipment down the road?" The Budget Committee has decided not to do that. There is a tension between trying to plan things out ahead of time, and also being able to respond to current circumstances.

Collins said the police and fire chiefs and the Public Works Director know what equipment they need to replace. They've put a dollar amount into the budget. But how does that fit into the overall priorities? For example, if there is an increase in revenue this year, does the Budget Committee want to put it toward equipment replacement or into a reserve, or schedule 50% of it on a future bond issue? That's a priority choice. The Budget Committee needs to see all of those choices now, and have their decisions put into Salinas' document. Discussion followed.

Salinas said his document shows staff's perspective, based on the Strategic Plan and the needs of the City. This is the Budget Committee's opportunity to decide if staff is on the right track. Collins asked, if the Budget Committee accepted all the priorities on the spreadsheet, what would be the total needs versus the total revenue? Salinas said needs would be greater than revenue. We are trying to provide the information you need to make choices: It's up to the Budget Committee to tell staff how you want us to do this.

Kellum said what is missing is why each of these is a priority in the directors' eyes. What are the consequences of not funding? Hare said the directors try to explain that in their presentations to the Budget Committee. Salinas said his

spreadsheet shows the risks of not funding priorities, so some of that information is in this document. Risk equals the probability of occurrence times the impact. Kellum said he would like to have the directors explain the risks in their presentations.

Collins said he doesn't think this very complex document should drive this year's budget, but the Budget Committee could start working on it now and it could lay the foundation for next fiscal year. It's going to be very difficult to do both tasks at the same time. He suggests having a separate meeting schedule to review drafts as Salinas completes them, with the process to be completed in the fall.

Summers referred to page 2, line 32, the Police Department's equipment replacement fund. Funding required is \$341,000, but only \$200,000 is available. The need continues to grow and funding decreases over time. He asked, is there a way to show that gap? Folden said the information is on Salinas' spreadsheet. Salinas said he just received updated numbers from the police chief. Police Chief Mario Lattanzio explained the assumptions he used for his numbers.

Summers asked if there is a compounding effect in continuing to use vehicles that should be replaced. Hare said yes. The City has done a good job of managing with the resources we have, but we have fallen behind in equipment replacement, so we need to build it back up. Discussion followed.

Summers asked how often the documents will be updated. Hare said Finance Director Stewart Taylor has been working on a version of this. Once the document is complete, it will probably be reviewed annually.

Collins said he thinks this document is a great tool for the City. Hare said when he started at the City of Albany eleven years ago, it was a well managed city. In his tenure, even with the economic downturn, the City didn't lay off a police officer or firefighter. He inherited the Strategic Plan from the previous City Manager and it did help guide the City through the recession. This document is also a good step to take.

Summers said he is trying to understand how to use these documents going into the Budget process in May. He gave as an example the proposed increases in police Full Time Employees (FTEs). How will the Budget Committee be able to evaluate how a given FTE affects our service level agreements? Will the Budget Committee need to base its decisions on the directors' presentations? Will there be comparisons to like cities? How will the Budget Committee prioritize, if the Police Department has three Priority Ones, for example? The Budget Committee doesn't get to hear the priority discussions. He wants to hear from directors what positions they need and what happens if they don't get them.

Hare said we are trying, but can't be that sophisticated. One issue is comparability of data. Corvallis should be comparable but isn't, because Corvallis is wealthier. And our number of ambulance runs is double Corvallis' because of our older population. The directors do tell the Budget Committee in their presentations every year how many positions they need and what will happen if they don't get them. Discussion followed.

Hare said that as a budget officer his job is to present the Budget Committee with a balanced budget. At the end of the calendar year, the Budget Committee looks at the plan and makes the decisions about spending more or less in certain categories. There is a lot of effort to make it an objective process, but in the end that isn't possible, because each Budget Committee member has a subjective opinion about where money should be spent. Budget making is a combination of objective measures, observations, and data, but also subjective opinions. Staff is paid to be the rationalists and to provide the data, but it's up to the Budget Committee to decide what they think is most important.

Mayor Sharon Konopa said the Committee needs to trust that staff knows what their departments' needs are. Over the years we know it has worked, because we have maintained quality of service over some tough years. She does not think the Committee should micromanage the process. Managing is the City Manager's job; and the Budget Committee's job is to evaluate and approve the budget he brings forward.

Keller said last year it was suggested that Transient Lodging Tax (TLT) be used for equipment replacement. Has that happened? Hare said yes, the Budget Committee approved using a portion of the TLT that way.

Salinas said that when directors make their presentations to the Committee, they try to provide enough information

without overwhelming the Budget Committee with the details, but each recommendation they make is backed by data. Also, there is extensive information on line that shows whether or not we are meeting the Strategic Plan goals. He displayed the online dashboard for A Safe City; <http://www.cityofalbany.net/city-data/a-safe-city>.

Folden asked where the TLT Ad Hoc Committee fits into the budget process. Hare said he doesn't think it will happen in time for this budget season. This year the Budget Committee will likely get a proposal from them in time for next fiscal year.

Folden showed a page from last year's budget process showing TLT numbers. She asked where the numbers came from. Hare said that discussion related to redirecting TLT revenues from areas that has enough funds to areas that need it.

Folden said she wants to have the budget books one week before the first Budget Committee meeting on May 10. She asked the Committee if they wanted to meet in April after the Strategic Plan is updated but before the proposed budget is complete. Hare said that by April, staff is pushing hard to get the budget document done, and the Strategic Plan would already be included. Folden asked if the normal process is for the Strategic Plan to go to the Council for approval and then to the full Budget Committee. Hare said yes.

Summers said he would like to have Public Works present first like last year. He'd like to get the agenda with the document. Taylor said staff will use the same schedule as last two years.

BUDGET COMMITTEE COMMENTS

None.

OTHER BUSINESS

None.

ADJOURNMENT

Hearing no further business, Folden adjourned the meeting at 8:07 p.m.

Submitted by,

Reviewed by,

Mary Dibble, MMC
City Clerk

Stewart Taylor
Finance Director



CITY OF ALBANY

CAPITAL IMPROVEMENT PROGRAM (CIP)
JOINT WORK SESSION
CITY COUNCIL – PLANNING COMMISSION – BUDGET COMMITTEE
City Hall, Council Chambers
333 Broadalbin SW
Thursday, April 7, 2016
6:30 p.m.

MINUTES

City Council: Councilors Bill Coburn, Rich Kellum, Ray Kopczynski, Dick Olsen, and Bessie Johnson

Budget Committee: Sue Folden, Dick Conolly, Michael Thomson, Colleen Keller

Planning Commission: Larry Tomlin, Bobby Schueller, Dan Sullivan, Dala Rouse

Staff Present: Jeff Blaine, Public Works Engineering & Community Development Director; Chris Bailey, Public Works Operations Director; Jeff Babbitt, Senior Accountant; Staci Belcastro, City Engineer; Guy Graham, Engineering Manager; Eric Carter, Police Captain; Kate Porsche, Economic Development & Urban Renewal Director; Wes Hare, City Manager; Marilyn Smith, Public Information Officer; Stewart Taylor, Finance Director; Anne Baker, Senior Accountant; Nathan Reid, Economic Development/Urban Renewal Coordinator

CALL TO ORDER / INTRODUCTION

Wes Hare called the meeting to order at 6:30 p.m. and gave an introduction to the Capital Improvement Program (CIP).

COMMUNITY NEEDS

Jeff Blaine gave an overview of the Community Needs section.

Wes Hare discussed the progress of the new Police and Fire Stations.

Dala Rouse asked if the overflows on the Riverfront Interceptor were increasing or decreasing. Blaine stated that it was most likely less due to the new Water Reclamation Facility (WRF).

ACCESSIBILITY

Jeff Blaine gave an overview of the Accessibility section.

PARKS

Wes Hare gave an overview of the Parks section.

Ray Kopczynski requested using more of the CDBG funds for the Parks. Hare stated that there are limitations on what the CDBG funds can be used for.

PUBLIC FACILITIES

Eric Carter gave an overview of the Public Facilities section.

Wes Hare discussed the potential need for a Fire Training Tower, as shown in the unfunded section of the CIP.

REVITALIZATION

Kate Porsche gave an overview of the Revitalization section and mentioned all the original projects of the Urban Renewal Plan are included in the unfunded projects listing and that the projects need to be updated in future versions of the CIP.

Dala Rouse asked if ODOT will be providing funding for the Ellsworth and Lyon Street portions of the funded project. Porsche stated that the portion of the project on Ellsworth and Lyon mostly isn't in the street.

STORMWATER

Jeff Blaine gave an overview of the Stormwater section and noted the City does not have a dedicated funding source for stormwater projects.

Dala Rouse asked if the city has any way to clean the silt buildup in the pipes. Blaine stated that currently there are no dedicated funds to clean the pipes with.

TRANSPORTATION

Blaine gave an overview of the Transportation section.

Dala Rouse asked if Marion Street from 3rd to 7th Avenue was expected to be repaired in the near future. Blaine stated that staff will look into the condition of the street.

WASTEWATER

Blaine gave an overview of the Wastewater section and mentioned the focus was on making a significant investment in the collections system.

Bessie Johnson requested an updated of the WRF project. Chris Bailey gave a project update.

WATER

Blaine gave an overview of the Water section.

Rich Kellum asked if trees are dug up when cleaning the canal. Bailey stated that trees are only removed if there is a issue with them causing damage to the canal.

ADJOURNMENT

The meeting adjourned at 7:50 p.m.

Respectfully submitted,



Jeff Babbitt
Senior Accountant

JMB:kw