

CITY OF ALBANY
CITY COUNCIL WORK SESSION
Municipal Court Room
Monday, November 9, 2015
4:00 p.m.

MINUTES

CALL TO ORDER

Mayor Sharon Konopa called the meeting to order at 4:00 p.m.

ROLL CALL

Councilors present: Councilors Rich Kellum, Bessie Johnson, Ray Kopczynski, Floyd Collins, and Dick Olsen (arrived at 4:02 p.m.)

Councilors absent: Councilor Bill Coburn (excused).

BUSINESS FROM THE PUBLIC

None.

TRANSIENT LODGING TAX

Councilor Dick Olsen arrived at 4:02 p.m.

Economic Development & Urban Renewal Director Kate Porsche introduced the item to the Council. She explained that there was discussion at a previous Budget Committee meeting about changes to the existing Transient Lodging Tax (TLT) policy; however, no specific action was taken at that meeting. Staff is looking for clarification and direction as to which body the Council wants to appoint to review the current TLT policy. The current policy outlines a TLT Advisory Committee and the details of who that would include are noted in the staff report. Other options for a review body would include a TLT ad hoc group, some other workgroup of the Council's choosing, or that Council review the policy themselves. Porsche added that staff would recommend that the Council review the policy themselves and that she believes that could be done in three special meetings. She believes that having Council review the policy would result in a better understanding of the policy by the Councilors and would better engage the various stakeholders. Porsche sees this as a process that would include interaction with stakeholders as well as recipients of the TLT; and that staff would assist with a road map of questions to look at, some of which she has already included in the staff report.

Konopa said she likes the idea of having the City Council as the review body. She believes it would be more efficient and save on staff time; that if it were opened up to a new committee, it would take a lot more preparation to get everyone up to speed on all of our tourism activities. She pointed out that Council has the final say anyway so in her opinion, that would be the best option to expedite the process before budget time.

Councilor Rich Kellum said he is of the opinion that they need to have input from others. He added that people have their opinions and attitudes; we need to first have facts, without any emotion added. To that end, the ad hoc committee would be a group of people, none of which are a provider or a receiver of TLT funds, to bring forward the facts. The people that were on the committee before, for example, Bill Draper from *Democrat Herald*, someone who knows a lot about marketing; Betsy Penson from Heritage Mall; Mitch Langjahr, a guy who's run a multi-billion dollar corporation and whose job has been marketing. Kellum referred to a few people in the audience and said, we need people who don't have a vested interest; someone who has the background, knows the history, and knows how to conduct a meeting. Then if there are other people that don't have an ax to grind but have the expertise, include them as well. Kellum believes that the pertinent expertise among the Councilors is limited and that the only expertise lies with him having been in business for 32 years and with Councilor Ray Kopczynski working for JC Penny for a long time. Kellum pointed out that he is on the board for the Albany Millersburg Economic Development Corporation (AMEDC) and Kopczynski is on the board of Albany Visitors Association (AVA). He said that even if they're trying not to, it's hard not to have an ax to grind. Kellum's preference would be to have an ad hoc committee.

Kopczynski agrees with Kellum that outside influence is needed to create the policy, especially if they're going to be considering changing it. To that end, he believes Kellum is correct, but he also reiterated that the Council is the body that makes the final determination as to what actually happens. He can see outside people making recommendations to the Council at the various meetings but since Council is the one that has to make the final decision, he would go along with Porsche's recommendation to have Council review the policy.

Konopa pointed out that all the people that Kellum mentioned could provide input at meetings but the Councilors are the ones that look at all programs and the overall funding needs of the City.

Kellum replied, bottom line, there's no one here that has the expertise; and we're talking about whether or not somebody's expertise applies to this issue. He continued, we don't really have much expertise on the Council and it

should be driven by expertise. He asked, do you really want to spend the time for Council to get all the info they need?

Konopa stated that the people with the overall knowledge of City programs and the needs of the City would be the Council.

Kellum responded that the discussion is not about whether things are working, it's about whether it's effective. He asked whether the money that they're doling out is being used effectively and he believes only people with expertise have the ability to say. He added that people without the expertise are making a guess as to whether the money is being well spent and the Council hasn't always asked the right questions.

Councilor Bessie Johnson understands there have been questions raised as to whether the Albany Downtown Association (ADA) or the AVA are making good use of their TLT funds. She agrees with Kellum and would like to see a fair and unbiased panel that could look at each situation and see if that's really the outcome that was intended. She said that it may come back that the results are what was desired and the Council should continue with the current process. She feels that there's no way of saying that the Council or the recipients of the funds are not prejudiced in some way or another, even though they don't want to be. She would like to see some other work group appointed by the Council; that a fair and unbiased panel would be a good way of determining whether the funds are being spent appropriately and would also be a good means of keeping things transparent. She said she's glad that Scott Pierson from Wood Castle was mentioned, she believes he's a good example of someone that would be a good fit for the policy review board. Pierson is also a member of the Budget Committee.

Konopa believes that if Council went this route, then each Councilor should make an appointment, otherwise it would be too difficult to make a collective Council decision about who to appoint. Johnson suggested a panel of seven and Kellum added that it could be seven individuals who do not either receive or appropriate TLT funds, to which Johnson agreed.

Kopczynski is concerned that Council will be getting filtered information and that they won't be hearing from the people that are directly impacted by the decisions of those appointees. Kellum asked what would keep them from giving an editorial view of what came out of the discussions.

Konopa believes that if they want to assemble a group that's totally unbiased, that would mean that they don't know anything about the current City tourism programs or what's currently being funded out of TLT, which would mean those individuals would have to be brought up to speed on every program and every organization that's currently being funded. Konopa could see this taking an entire year.

Johnson believes this could work similarly to the Public Safety Facilities Review Committee. She said they didn't have all the information or know everything to begin with and it took some time, but she believes this process needs to be done right. She suggested that the panel give their reports to the Council and then the Council makes the final decision.

Olsen asked for an update on the Expo Marketing Contractor's report as to what's needed for the Expo. Council hasn't seen that report yet. He would like to see a report from the marketing contractor before they start forming yet another committee. He believes that Council should consider the option that Porsche has suggested and that Council should make the decisions, rather than have a committee report to them and then they make the decision, which just seems like an extra step to him. He added that he may not be a marketing expert but he has many years of experience on the Council reviewing reports.

Kellum stated that this is his point exactly; they get reports about how much money is received from TLT, and there are people who are ecstatic about how much money is coming in. He said, receiving the money is great, but what are we getting the money for? The money is to promote Albany and generate business for Albany from outside the community. If you listen to the hoteliers, they would point out that it is the over-nighters, not those staying for multiple nights and spending time in Albany, that are paying most of those taxes. The people who know that are the ones that need to provide input on the policy. It's not the money we're after; it's the economic activity that we're after and that's what the funds are supposed to support.

Porsche responded to Olsen's question concerning the Expo and agreed that staff can have the contractor come to give a report to the Council. Olsen said he would appreciate that as he has asked for this report before.

Porsche weighed in on the discussion of a subcommittee versus having the Council reviewing the policy themselves and explained that staff could bring in a professional to help facilitate meetings and gave an example of who might be able to assist. Porsche is concerned about the timing of this, however. There are a number of current recipients who are getting ready to build their budgets for the next year and need to determine whether they will receive these funds. She was hoping to have these meetings in January and complete this process expeditiously. Olsen asked, are they worried about whether they will receive the tax money? Porsche explained, as an example, part of her Economic Development work for the City is funded by TLT funds. Whether or not they can expect to receive those funds will affect how they build the budget. The sooner those recipients have that information, the better. Konopa said for the timing issue, it would be better to have the City Council be the review body. Olsen added that everyone's welcome to come and provide input.

Porsche explained that City Manager Wes Hare had requested to know what other communities of similar size to Albany, receiving a similar amount of funds, are doing with their TLT funds. Economic Development/Urban Renewal Coordinator Nathan Reid has begun to compile that information. Konopa noted that the City is restricted with what they can do; a certain percentage is required to be spent on tourism by state law.

Hare commented that a lot of time is spent talking about a budget that is less than one million dollars per year and there's been a formula for this budget for years. A portion of the funds go to the Albany Visitors Association (AVA), an organization that's been around for many years working to promote the community. The City hears from them at least twice per year, receives reports that are fairly comprehensive, and they give presentations to Council on the work they're doing. The City also gives money to the ADA, which is also a well-established group that's been around for a long time, as well as AMEDC. All of those bodies report back to the City Council and explain how they're using the money that's given for that purpose. Hare continued, it seems that every year we have this debate and one of the problems is not having an agreed upon metric for determining success. One of the big metrics in other communities across the state is how the TLT itself is doing, is it robust, is it shrinking, or are you looking at a declining business, if you will. We all know that's not a particularly accurate gauge because there's volatility in the industry. It's certainly climbed back since the recession; each hotel has had an all-time record month recently so from that perspective, it's been pretty robust. The reason staff has recommended that Council deal with this is how much time and effort to you want to invest in a budget that is small by comparison. We've had a long established method for distributing the funds that looks very similar to what other communities do. It seems that we discuss this issue a lot but don't seem to reach a conclusion.

Konopa agreed that it is beneficial to have a metric to follow. She said that for twenty years of budget processes, it used to be that TLT was the only discussion item they had and it took a great amount of time listening to those presentations for requests for TLT funds from outside agencies. When they transitioned from the old program to the new program, with simple allocations, they didn't have to spend that time at the budget level. She said that it's just been in the last year or two that this conversation has started again and the question is whether we want to spend our entire budget season discussing one source of funds, or just continue with the way things are being done currently. She feels that if they need to tweak that plan, in order to expedite the process, the Council will need to do this.

Olsen stated that he doesn't mind discussing this at budget time but in reviewing the report the Council received recently, he noted the revenues for June are up by 48.6%. He sees those numbers and wonders if there are that many more people coming to stay in Albany or if the rates have increased that much. Olsen said he's amazed at that many people wanting to come to Albany to stay the night, which in his mind means that Albany is doing something right.

Porsche added that staff would bring that sort of information forward and include it as part of the policy discussion.

MOTION: Kopczyński moved to have the City Council, as the body that directs the TLT funding, review the policy (the fourth option listed in the staff report) and Olsen seconded.

Kellum said they've been doing this for several years and it's never been investigated properly and each time people are giving reports on how the money was spent but not what the outcome was from spending that money. He believes that if they don't know how it worked out, maybe it needs investigating and feels that the fact that Olsen is ecstatic about 48% goes to a point. He stated, people in marketing won't just be happy with the increase, they'll ask, why the increase.

Konopa pointed out that the Council has received input from several individuals, ad hoc committees, and the like over the years. Kellum responded that every time this comes up they're under the gun and have to do something right away so the response is that they better not investigate because of time constraints.

Olsen commented that the last request was to get someone into the Expo to help with that.

Collins said that at the time they established the current policy, part of the commitment was that there would be a routine review and report that would come back to the Council about how effective the program was. Johnson stated that this never happened.

Collins explained that the Council's agreement to the current policy was all predicated on the fact that there would be a review of whether the expenditure of funds was effective. He stated that Council has to deal with the limitations they have; the statute requires that a certain percentage go to tourism but they have flexibility beyond that. He believes there are two components, one being the effective use, but they shouldn't ask a group to look only at the continuation of the allocation of the gross revenue without asking these questions: Given the percentage that has to be allocated for tourism, what's the most effective use of that percentage; and what about the balance, should that also then be reinvested in tourism, or some other City program? He feels the second question has to be decided by Council but the effective use component, they can get that information from talking with the recipients, the people who are in the business. He said he doesn't see Council shirking that ultimate responsibility and that when they're looking at tightening the financial picture for the entire City, they need to maintain that flexibility and only Council can do that. Collins is looking for a hybrid of Konopa's position on this issue and Kellum's position. He wants to look at the effective use of the allocation they currently have, the policies that guide that distribution, what is the correct disbursement of the entire fund, and look at the policy that guides the automatic increases. He doesn't believe that agencies should receive automatic increases; they should be required to show their return on investment.

Konopa added that with a motion to have Council be the reviewing body, a component of that can be to bring in an advisory body to advise Council, such as Travel Oregon, as well as hearing from recipients and other people in the business, and researching what other cities are doing with tourism funds.

Collins remarked that it's not going to be done by the end of January, by the time they get everybody together and receive input.

Konopa reaffirmed that there is a motion on the floor to have the Council as the review body, with that they can determine what the process will be.

Johnson agrees with Collins that the time needs to be taken to do this correctly, put in the effort, and review things thoroughly. She is concerned that with Council as the review body, they will bring their existing views to the table and it won't be anything new or different.

VOTE: A vote was taken on the motion and it failed 3-2 with Kellum and Johnson voting no. It takes four votes of the Council to make any decision. This item will come back to the next meeting that a full Council is present.

Collins added that he would still like to have staff make arrangements for the Expo Contractor to come back with a report for Council, as Councilor Olsen requested.

Konopa would also like staff to develop a plan and timeline for the review process, in the event that Council is going to be the review body.

REQUEST FOPR SEWER ECONOMIC DEVELOPMENT FUNDS

Assistant Public Works Director/City Engineer Jeff Blaine gave a brief explanation of the request for funds. As part of SnoTemp's expansion project, with their land use decision, they have a condition to extend 275 feet of sewer line in Lochner Road. SnoTemp is requesting the use of Sewer Economic Development funds to complete that project. With Council approval, staff would design and bid the project and once constructed, it would satisfy that condition for SnoTemp. The City has both Sewer and Water Economic Development Fund accounts which act as reserve funds when an economic development project comes up, or if there's some sort of business retention activity, people in the community that are looking to develop can come to Council and make a request to use those funds to construct improvements. Blaine explained that there are adequate reserves currently in the Sewer Economic Development Fund to construct this project. Staff came before Council a few months ago to discuss using some of those funds to construct the Cox Creek Interceptor improvements which have been delayed. He said that even with those improvements, there would be adequate funds to construct the requested improvements for SnoTemp.

Jason Lafferty, 3815 Marion Street SE, of SnoTemp, updated the Council on their 95,000 square foot expansion project. They will be applying for permits within the next week and have hopes for quick review so that they can start construction in January and catch next summer's harvest season. SnoTemp will not be tying into this sewer extension; it will benefit a neighboring property. Their engineers estimate the project at \$150,000 and they're requesting that the Council support this request for funds to complete the sewer extension project.

Konopa asked Lafferty how many years their family has been in business. Lafferty said that his Grandfather started the business in Eugene in 1957 and moved to Albany in 1974.

Kopczynski would like to know if this item will be going out for a Request for Proposal (RPF); and whether there's a "not to exceed" amount as part of the approval.

Blaine replied that Council could approve the request however they'd like, but the staff recommendation would be to approve the request and let staff take care of seeing the project through. He does not anticipate any dramatic increase in construction costs that would cause a budget issue.

Collins asked whether this is a 12 or 8-inch sewer line. The staff report and Lafferty's letter have different information. Lafferty clarified it is a 12-inch sewer line. Collins also asked, with a 12-inch line, whether there are System Development Charges (SDCs) involved with funding this project, either in addition to, or as an offset to, Sewer Economic Development Funds.

Utility Services Manager Mark Yeager is not certain whether Sewer SDCs are a part of the project.

Collins asked, since SnoTemp is not going to be connecting to the line for service and it's just a matter of extension of the line to and through that property, with future development to the East side making connections to the line, whether the project is subject to a subsequent developer reimbursement agreement so that the City receives part of that money back to put into the Economic Development Fund.

Blaine responded that the City would receive connection fees associated with each parcel that connected, which would go back to the Sewer Fund.

MOTION: Collins moved to approve the requested action with receiving clarification on the SDC funding and with the future direction that any subsequent developer reimbursement be returned to the Sewer Economic Development line item and Kellum seconded.

Konopa asked whether there is Local Improvement District (LID) that is associated with this property on the South end.

Yeager replied that the LID has now expired; it was only good for ten years.

VOTE: A vote was taken on the motion and it passed 6-0.

STORMWATER DISCUSSION, PART 5: FUNDING STRATEGIES

Blaine explained to Council that staff will be looking for direction regarding Stormwater funding methods going forward. He gave a brief summary of the discussions and presentations that have taken place over the last year and reminded Council that the Stormwater program hasn't changed much over the past few decades.

Blaine gave a Power Point presentation (see agenda file).

Blaine explained that he spent a bit more time reviewing the pipe maintenance portion of the presentation than any other item because he believes it's important to note that the City is spending between \$1 million and \$1.5 million per year to replace failing sewer lines. For stormwater, the City is spending nothing and is not making any headway on a worsening problem. Blaine further explained that the common theme of all presentations to date is the lack of stormwater funding. Albany does not have a dedicated source of funding for stormwater; when the City performs even limited stormwater activities, it's taking funds away from the Water and Sewer Funds, which already have limited budgets. He would like to hear from Council what funding options they may be willing to consider.

Blaine pointed out that this is not a new issue at all. He reviewed a discussion paper and a memo to Council that was written by Collins when he was the Public Works Director in 2001. Blaine noted that Collins' materials mirror the current discussions taking place. He said that although this is not a new issue, it is new with respect to the permitting requirements that Albany is facing. He believes that Albany needs stormwater funds to fully develop programs including regulatory compliance under the upcoming stormwater permit requirements, to conduct basic operation and maintenance activities, and to perform condition assessments that help identify which pipes are failing. He explained that once those pipes are identified, the City will need to have funds available to replace those pipes through a perpetual life replacement program. Lastly, there may be other pipe projects to be considered from a capacity standpoint to address issues like street flooding.

Blaine continued with the presentation slide title "Stormwater Funding Needs" and gave funding options for Council to consider. He said that if we continued with the current practice of using sewer and water funds to deal with infrastructure issues, it takes funds away from the needs within those systems. With the new requirements the City is facing for stormwater, the City would have to look at raising sewer rates in order to fund those additional expenditures. Customers would be paying based on their use of the sewer system and therefore, costs would be disproportionate to the customers' use of the stormwater system. Council could look at using General Fund monies but this would take funding from Police, Fire, Parks & Recreation, or the Library. With the General Fund being tax-based revenue, this would again be potentially disproportionate with a property's impact to or use of the stormwater system. Council could establish special districts or local improvement districts, neither of which would be practical from an administrative standpoint, or they could make use of general obligation bonds or operating levies, which again would be based on property taxes and may not be a legally defensible funding method.

Blaine stated that staff would recommend creating a stormwater utility and using revenues generated from stormwater-user fees, in combination with SDCs and permit fees, to cover the cost of a full stormwater program. He explained the benefits of a stormwater utility: fairness and equity – it can be designed to be proportionate to the customer's impact on the drainage system; a dependable revenue source – the City can have dedicated revenues designed to fund only stormwater management activities, just like we do for water and sewer; lastly, it is a legally defensible method of charging fees. There would be a site-specific fee for service or use of the system; therefore it's not technically a tax which is why it's defensible. He added that another benefit is having understandable rates for users.

Blaine provided a handout (see agenda file) titled "2015-16 Stormwater Rates in Oregon Cities by Fees", of Oregon cities, many of which are cities that the Councilors are used to seeing utility comparisons with, with the information sorted by population. Blaine noted that every community that is at least as large as Albany already has a stormwater fee and many communities that are smaller than Albany also have a stormwater fee. He pointed out that the handout is not an exhaustive list of the cities that have a stormwater utility. Of the 29 communities listed on the handout, only Albany and four other communities don't currently have a stormwater utility. Of those four cities that don't, one is in the process of developing a fee and one is getting ready to take the information to their Council for direction since they are being pulled into the stormwater permit requirements by the Department of Environmental Quality (DEQ) as well.

Blaine explained that the values shown on the handout are the rate for a single-family residence per month per lot. Olsen asked to clarify whether the fee is the same regardless of the size of a lot or residence. Blaine explained that

this is a boilerplate type rate structure where residential lots pay one rate and another rate is charged for commercial or industrial lots.

Blaine distributed a second handout (see agenda file) titled “2015-16 Stormwater Rates in Oregon Cities by Population”, and explained that it contains the exact same information as the first handout, just sorted differently. It has the communities sorted based on the fee amount, with Sweet Home on the low end at \$1.00 per month for a single-family residence all the way up to \$27.00 per month for someone living in Portland. The average fee for the communities shown on the handout is \$9.00 per month.

Blaine explained that there is a lot work to be done when considering what an appropriate fee for Albany might look like. Staff is looking for direction now as to what funding options Council would consider. If Council were interested in considering a stormwater utility, staff would come back to Council in a work session to define what the evaluation and development process would look like; so they’re not being asked to make any rate decisions but rather deciding a path forward.

Kopczynski asked, since a lot of this is defined by impervious versus pervious surfaces, and using his home as an example, whether it is practical to consider removing the driveway and putting in gravel to make it pervious. He asked if there are any ways to incentivize people to do things like that. Blaine replied that there are ways to incentivize people to reduce the square footage of their impervious surfaces. Blaine remembers Yeager saying previously that in order to have a truly defensible stormwater program, the City would need to have a means to provide credits to people for those efforts.

Kellum wants to make sure this is part of the discussion from the beginning, not waiting until way down the road to decide what credits may be provided. He said that he would hate to see citizens take proactive measures to reduce their impervious spaces and then find out that the utility program doesn’t allow for that and it’s not going to benefit them.

Konopa pointed out that regardless of what a person may do with their own property, even if they don’t have any stormwater drainage coming from their property, there’s still the issue of stormwater drains underneath one hundred plus miles of roadway that need to be maintained or replaced. All storm drains need improvement and there needs to be some sort of funding mechanism to be able to maintain the entire system. Konopa added that she is proud of the fact that Albany has been able to hold off on having any utility fees up to this point and hold back the costs and utilize limited funds well, but it’s gotten to a point where they have to question how much longer they can keep waiting. She stated that the City has a stormwater system that’s deteriorating and they’re going to have to somehow maintain it, and she doesn’t see in the future that they’re going to have another funding source to keep that type of program sustainable. Konopa would like for staff to identify on the list of cities listed in Blaine’s handout, how many of those cities have more than one utility fee, noting that Corvallis has a few and other cities have other fees aside from a stormwater fee.

Collins added that the City has avoided this issue for many years but the driver now is not the City, the driver is the state and the permit that’s coming down the road. He stated that they’re not going to be able to avoid it for another five to ten years so the question then becomes, what’s feasible to have a reasonable program. He doesn’t believe any of the first four options are reasonable funding options because of the competing nature of the General Fund, the limited ability for taxation, and many of the points that Blaine made. He believes Council must look at developing a storm water utility, which can include credits, base fees, etc. He stated that staff needs to have the direction to come back to Council and provide the framework of what the utility would look like. He added that staff will need to perform budget projections; how much revenue does the City need to collect per year and then they can start to develop a user fee based on that. He explained that generally you try to treat user groups somewhat systematically. He pointed out that if they attempt to manage each residence independently, the program management costs are going to go up dramatically, so while they can have some forms of credits, they have to be very explicit, very direct, and not-necessarily always equitable. He said that if they want to be equitable, the operational costs will go way up and probably disproportionately so. He wants to make sure that they are reasonable, that they provide some flexibility, but don’t go crazy over credits. He sees incentives coming into effect more with large commercial or industrial parcels.

MOTION: Collins moved to direct staff to begin work to develop the formation of a stormwater utility and bring it back to Council and Kopczynski seconded.

Johnson asked, on the lists of cities that have been handed out, whether the amounts listed are a flat fee, or if they’re based off of sewer usage. Blaine replied that they are stormwater-only flat fees for single-family residential customers; there would be other charges for different user groups. Johnson said she agrees with Collins, they need to keep it simple and have a flat fee, and that she hates to see any sort of fee imposed, people are getting driven out of their homes by fees. Collins then commented that whatever the fee is there has to be some sort of link back to a reasonable level of discharge from a typical single-family residence. He stressed that the City can’t individually manage twenty to twenty-five thousand single-family lots. Once a homeowner makes a change, they receive their credit, and then they can change back to what they were doing before, and the City loses control of the billing system very quickly. He reiterated that they’re not going to answer those questions today; it’s just a matter of directing staff to begin the process to develop the utility.

Kellum asked about a recent Supreme Court ruling against the Environmental Protection Agency (EPA) brought by the State of Virginia in which the EPA claimed that stormwater was a pollutant and Virginia disputed that claim. Blaine believes this was an issue relating to volume as a contaminate, not the water itself, and that the claim by EPA was overruled. Yeager explained to Council that he doesn't know the final outcome of the lawsuit but Blaine is correct in saying it was not related to the quality of the stormwater but rather the volume. The EPA was attempting to try to force control of volume. He stated that this sort of issue is happening all around the Nation but again, it was volume related; the assertion that volume alone was a pollutant, rather than any constituents that were inside the rainwater.

VOTE: A vote was taken on the motion and it passed 6-0.

FINANCIAL NEEDS ASSESSMENT

Assistant City Manager/Chief Information Officer Jorge Salinas provided an updated copy of the spreadsheet that was included in the packet (see agenda file). He explained that Council requested a few months ago that staff provide a projection of the current financial needs in order to evaluate distribution of funds from the General Fund in addition to potential funding sources in the future. Salinas explained that this is a projection for the next ten years with input from Directors in terms of what they see as a priority or risk. Based on feedback from Council, staff will go ahead and prepare a similar report to provide to the Budget Committee at their first meeting.

Salinas gave a Power Point presentation (see agenda file).

Discussion followed. Police Chief Mario Lattanzio explained to Council that he did not project personnel needs for the next ten years; only the next three to four years. He believes that Albany is currently short eight officers but being realistic, he figured in adding one officer per year. Konopa asked Fire Chief John Bradner for clarification whether his figures were a ten-year projection. Bradner explained that his projections for the Fire Department were for eight years. Konopa asked for Lattanzio to update the Police Department figures to reflect eight years as well. Lattanzio asked for clarification as to whether he should figure the true number of officers he really believes we need, because that will dramatically increase the numbers.

Collins commented that there needs to be some guidance as far as population growth and whether they look at the national average or something else. Then they can ask the general question of whether staff is headed in the right direction; pulling that information together first and then they can define some of those boundaries by which Council wants information included. Collins said that he would agree that some things need to be updated but encouraged the Councilors not get bogged down with those details right now. Collins believes that this financial needs assessment is absolutely essential to be able to make decisions about staffing needs, set priorities with projects, and look at the overall needs of the City in a comprehensive picture. Collins envisions this as a communication tool with the public, to be able to show the citizenry what the City is anticipating one year, five years, and ten years out. He said that part of needing this report is to address the common complaint of "the City never has enough money and they're always asking for more." He feels that if Council sees there's a need now, they need to be telling the public what it is now, not when they're scrambling. Collins also believes this will be an important part of outlining community priorities and working with neighboring communities to establish what they should be doing regionally. He explained that Council needs to provide guidance to staff as to what the expectations are, they need to be consistent with growth projects and percentages, and they need to tie this back to some level of indexing so they know how the expenses can be calculated in future years. He said the question is whether they think that staff is headed in the right direction to provide them with a product that they think will be beneficial to the community.

Kopczynski said he agrees completely with Collins and that because some of these items are being driven by things they don't have any control over, they need to keep their lines of communication open and stay in a positive relationship with legislators, considering these things are coming from the top down.

Collins added that having a document like this would help with those discussions with legislators, to be able to sit down and say, look what Albany is facing financially. He feels that if they don't have a document like this, they're just whistling in the wind. He wants to be able to present to legislators their best assessment of all the things they're asking the citizenry for. Collins added that when they get down to looking at personnel, for example, is a second firefighter equal to one Parks employee; they need this information to be able to make those choices. He recognizes that they're going to be facing this question year after year and this report at least gives Council the ability to condense, bring everything together, and have a common point of discussion for the future. He feels it also gives them some common understanding and a common decision-making approach.

Kellum said he would like to see the estimated personnel costs prioritized and color-coded. He believes this would be helpful in the long run to know the highest priorities and the color-coding would help for those people that are visual.

Konopa would like this presentation brought back to the Budget Committee in January. Hare said that based on some of the feedback received, the hope is that staff will be able to come back to that meeting with an updated report.

Collins asked whether the growth-related projects will be paid for by SDCs or other sources and whether it's already in the methodology. He would like to have that question answered.

COUNCILOR COMMENTS

Olsen said he received an email from a citizen about several trailers being moved onto their neighbor's lot.

Management Assistant/Public Information Officer Marilyn Smith explained to Council that a Community Resource Officer checked on the issue that day and the person who owns one of the motor homes came in to apply for a temporary RV parking permit on that property as well. The applicant claims this is supposed to be a very temporary situation. The application for a temporary parking permit requires that the applicant get approval from all of the adjacent property owners, which includes the claimant, so the application may not go very far. Smith added that the property is in foreclosure but the County won't take possession until 2017, according to the tax records. The City received a tall grass complaint two years ago and another complaint this August, for which a letter was sent, but she does not believe it generated a response. She said the situation with the motor homes is fairly new.

Olsen asked whether the motor home is on foreclosed property. Smith explained that it is on a property that is going through the foreclosure process and it is believed that the house is still occupied.

The Councilors confirmed details for the Veterans Day Parade.

CITY MANAGER REPORT

Hare wanted to apologize for giving the impression earlier the meeting that a one million dollar budget was not significant or important; that was not what he intended. He pointed out that the Council and staff members spend a lot of time discussing the one million dollars from TLT and a whole lot less time discussing the \$160 million that's in the City budget. He would just like to see the City have a process that gets to an outcome that everyone can hopefully agree on and they can move forward. The Councilors agreed and indicated that they understood his intent earlier in the meeting.

ADJOURNMENT

There being no other business, the meeting was adjourned at 5:58 p.m.

Respectfully submitted,

Holly Roten
Administrative Assistant I

Reviewed by,

Stewart Taylor
Finance Director