

CITY OF ALBANY
CITY COUNCIL WORK SESSION
Municipal Court Room
Monday, June 20, 2016
4:00 p.m.

MINUTES

CALL TO ORDER

Mayor Sharon Konopa called the meeting to order at 4:05 p.m.

ROLL CALL

Councilors present: Mayor Sharon Konopa and Councilors Rich Kellum, Ray Kopczynski, Dick Olsen, and Bill Coburn.

Councilors absent: Councilors Floyd Collins and Bessie Johnson.

BUSINESS FROM THE PUBLIC

None.

REGIONAL INTEROPERABLE RADIO SYSTEM

Police Captain Eric Carter explained that Albany Police Department (APD) has been working since 2009 on a 700-megahertz radio system that will allow APD to be interoperable with law enforcement agencies in Linn, Benton, and Lane counties, and hopefully with other counties in the future. He noted that APD went live with this system in 2012 and have since been working to bring other agencies on board. Linn and Benton County Sheriffs Offices and the Corvallis and Philomath Police Departments are now ready to join the system. Carter noted that APD had been paying roughly \$45,000 per year to utilize the system, which was not been their full share. Albany had been allowed to utilize the system at somewhat of a reduced rate until such time as other are agencies were able to join in the use of the system. The cost will increase to \$68,000 per year for the next fiscal year, which is the reason for bringing the proposal forward. Carter added that the system will be a tremendous benefit in being able to communicate with these other agencies.

Councilor Ray Kopczynski questioned the increase in cost, despite bringing in additional agencies. He wondered why additional agencies wouldn't reduce the per-agency share. Police Chief Mario Lattanzio explained that the per-agency share is increasing because of additional costs associated with new radio towers and equipment. Kopczynski also wondered whether there would be any staffing overlap between the agencies. Lattanzio explained that there is a \$20,000 administrative fee to the Linn County Sheriff's Office to help offset the cost, \$5,000 of which is the City's share.

This item will come back to the Wednesday, June 22, 2016, City Council meeting for adoption.

STORMWATER UTILITY DISCUSSION

Konopa read a message from Councilor Floyd Collins in his absence. In his e-mail, Collins expressed support for a tiered system and feels that Council needs to choose the figures for lot size difference and the percentage above and below the average single-family unit (SFU). He is also in support of a credit system, with details to be worked out following input from the public outreach process. He added that for non-SFUs, if they are under a separate Department of Environmental Quality (DEQ) 1200 series permit, then credit should be applied.

Utility Services Manager Mary Yeager gave a PowerPoint presentation (see agenda file). He noted that no specific decisions are being requested from Council at this meeting. The information being provided is conceptual framework so that staff has the information to be able to provide during public outreach over the coming months. Yeager outlined what staff has understood from Council so far. The stormwater program would be starting small, growing over time as needed, with no initial additions of staff or equipment. Council is considering tiers for residential and non-residential customers, as well as a six percent reduction in sewer rates and a two percent reduction in water rates to coincide with the implementation of the stormwater fee. Staff would go through a process of reevaluating the needs of the stormwater utility on an annual basis, in the same manner as they currently do with the water and sewer utilities. The new stormwater bill would be \$6.74 for the average residence; sewer and water rate reductions would be \$4.13 on average, for an overall increase of \$2.61 for an average residence. Albany would then be ranked 18 out of 26 for cost on the list of cities with stormwater utilities.

Yeager reviewed the option to have three residential tiers, as outlined in the PowerPoint presentation. He stated that the fee reduction is difficult to base on actual reductions in services or cost, because there really isn't any. The tier system is simply an effort to give recognition to those smaller residential properties that may have some limited reduced impact on the stormwater system.

Councilor Bill Coburn asked to clarify that charges will not be based on larger lot size or larger square footage of the residence, but rather the footprint or square footage of the impervious surface area. Yeager confirmed that is correct. The 3,200 square feet that has been established as the measurement for the equivalent residential unit (ERU) is for the impervious surface area, which includes the roof of the main structure, patios or porches, and any attached structures, not driveways.

Staff is proposing a 50-cent differential between the smaller, average, and larger sized properties. A typical residence would pay \$6.74, 10% of the accounts with a smaller footprint would pay \$6.24, and 10% with a larger footprint would pay \$7.24. Discussion followed related to the percentage of accounts in the smaller and larger sections. Yeager explained that the percentages could be divided however Council sees fit, it doesn't have to be 10/80/10, it can be 20/60/20, or however Council decides. The idea is that it remains revenue neutral by having the same percentage of accounts in the larger section as in the smaller section.

Councilor Rich Kellum pointed out that the tier structure being proposed has nothing to do with the impact on the system. He's not pleased with the idea that the charge isn't based on impact, and feels that if there's no difference in impact, there shouldn't be a difference in rates. Yeager reiterated that it is a policy question of whether Council wants to recognize those size differences within single-family residences.

Councilor Dick Olsen questioned the significance of 50 cents per month, and whether customers are going to notice that difference. Public Works Engineering & Community Development Director Jeff Blaine explained that the differential gives recognition to the customer that registers complaints about being charged the same amount for their 1,200 square foot house as what would be charged for an 8,000 square foot house, for example. He added that it is certainly not a requirement to have tiers, staff is just presenting Council with the option.

Yeager noted that only two cities in the area have residential tiers; it is certainly not an industry standard to have residential tiers. The information is being provided based on Council's previous interest in having tiers. He stated that the questions for Council are whether residential tiers should be a part of the discussion during upcoming public outreach, and how those tiers should be divided.

Konopa asked how stormwater charges would be figured for an apartment complex. Yeager explained that each of the roughly 2,500 non-residential accounts will be reviewed individually and charged based on impervious surface area.

Kellum said it's not lost on him that City regulations are causing a lot of the problem. When someone wants to build a facility or a home, regulations require that gutters connect to the stormwater system, the City has minimum requirements for paved area for parking, etc. For those that want to have a less onerous system, the City won't allow them to do less. He gave the example of a detention pond that he wanted to install at his business and was told that he couldn't. He noted that some of the things that are now advocated, such as bioswales or detention facilities, were not allowed at the time, and people will now be penalized.

Yeager reviewed the proposal for credits, which provide the opportunity for customers to control their bill as well as some limited incentive to help manage stormwater. Credits must meet City-defined requirements. Discussion followed related to properties in North Albany with dry wells and their ability to effectively manage stormwater. Yeager reiterated the need to think of the stormwater system as a whole and in terms of general benefit. He stated that in the case of the property that drains to an open ditch, that ditch then drains to another property and eventually finds its way into the stormwater system. That property has recognized a benefit, even if they are not directly tied into a piped stormwater system.

Coburn believes that Council is going to receive complaints about equity. Yeager added that it's important to remember that talking about a specific benefit to a specific property misses the larger issue. A resident's ability to access their property via the street system during a rainstorm, for example, is dependent on an effectively managed stormwater system. It's a question of general benefit rather than the direct benefit of a specific property.

Yeager continued with his presentation, explaining that the City would allocate a certain amount of money for credits, typically five percent of revenue. Many of the credits that would be applicable don't actually reduce the City's costs to operate the system; some of them even add costs. The concept is that all customers would pay the base charge. There wouldn't be any customers who would completely avoid stormwater charges, because of the general benefit to each property.

Discussion followed related to credits. Yeager explained that there is a class of industrial customers who are required to have a 1200Z permit through the DEQ, which helps to manage the quality of the water that comes off their property. Those permits don't cost the City any money and are required to improve quality, so the City would provide a credit for those customers who are in compliance with their 1200Z permit. Staff also believes it would be a good idea to provide credit opportunities to Greater Albany Public Schools (GAPS) if they either provide education or do things to help the City provide education, on a school by school basis, primarily with elementary and middle school students. Yeager also noted that the maximum credit allowed for each property would be 25 percent of the impervious surface charge. For non-SFR customers, this will be the largest portion of the billing.

Kellum asked where the cost for the impervious surface of streets and sidewalks is figured. Yeager advised that staff took the impervious area that's associated with streets and sidewalks, determined the total area, and then divided it

by the number of properties so that every customer is paying the same amount for use of the street system as part of the base charge.

Kopczynski voiced support for a tiered residential system. Kellum feels it's a great concept politically, but doesn't amount to much. He doesn't see how this helps the customers that need it. Coburn is okay with the tiered system. Olsen asked whether staff has investigated semi-impervious areas, such as gravel parking lots or wrecking yards. Yeager clarified that gravel is considered an impervious surface and will be used to factor stormwater charges. Olsen gave the example of B&R Wrecking. Yeager said that while staff hasn't looked at this property specifically, if they have a 1200Z permit through the DEQ, they will receive credit for that.

Yeager acknowledged concerns over the 50-cent differential for residential tiers. He asked Council to remember that despite the small amount, the net impact is \$2.61 for the average residence, so it would be \$2.11 for smaller properties or \$3.11 for larger properties, reducing the net impact by a fair percentage.

Discussion followed related to permit requirements and policy objectives of other communities and their corresponding stormwater rates. Yeager continued to outline opportunities and requirements for credits, and discussion followed related to administrative costs and staff time needed for administering credits.

Kellum questioned whether there is a risk that by limiting the amount of money that a customer can save to 25 percent, that the charge can be labeled a tax instead of a fee. For example, if someone comes up with a way of saving two-thirds of the stormwater from leaving their property and the City only gives them credit for one-quarter of that, does that change whether it's a fee for service. City Attorney Jim Delapoer stated that the law will look at it from the standpoint that as long as the City is merely raising enough money to compensate for the cost of the program, the incidental benefit or disadvantage to the individual payor is not going to be the criteria. He continued, it becomes a tax when it is revenue enhancement for something more than the problem you are solving. The City doesn't base it on the affect on the individual; it's based on the revenue achieved by the entity. As long as the City is not collecting more money than is needed for stormwater, then we're okay. Kellum clarified that it doesn't make any difference, then, the amount that we charge each person. Delapoer stated, no, not in the distinction between tax and fee.

Staff will be working to provide outreach to some of the service clubs and individual potential high ratepayers, in addition to open houses, and will extend invitations to Council to attend. This will take place over the summer and early fall, and staff will return in the fall with a recap for Council. A tentative schedule, if Council is going to move forward with a stormwater fee, is to adopt the rate and set up billing around November, with the rate effective in 2017. Staff will also make updates to the website, include articles in City bridges, and send utility bill stuffers over the coming months.

CITY MANAGER SEARCH

Human Resources Director David Shaw reviewed a handout titled Executive Search Firm RFP Summary (see agenda file). The summary is being supplied in response to a request from Council for additional information related to how the nine firms that responded to the request for proposals (RFP) were scored. Shaw believes there is a clear delineation between the top few and the rest of the respondents. He said that another question for Council to consider is whether to use an executive search firm to fill the Finance Director position that will be coming vacant. He noted that it is not typical to use a search firm to fill a Director position, but since they issued an RFP for the City Manager position, they decided to ask for proposals for the Finance Director as well. Based on preliminary reviews, he believes the cost would be about the same as what is proposed for the City Manager recruitment. City Manager Wes Hare spoke in favor of having a qualified pool of applicants already in place that the new City Manager can then choose from, and having that part of the recruitment process out of the way. Shaw noted that the City could begin the search without the executive search firm and have a final pool of applicants in time for the new City Manager to review; that process is not dependent on a search firm. Discussion followed.

Coburn and Kellum agreed that it would be prudent to begin the search for a new Finance Director now, and have a list of qualified applicants in place for the new City Manager. Konopa said it comes down to whether Council wants to spend the roughly \$24,000 for an executive search, or use the current internal process to place a new Finance Director. Kopczynski advocated the use of an executive search firm, and feels the position is too important not to have the highest level of professional expertise. Shaw noted that the primary difference with the executive search firm is that they target passive applicants, but many of the places they advertise will be the same resources the City uses.

Council directed staff to choose an executive search firm for the City Manager recruitment and proceed with that process. The question of whether to use an executive search firm for the Finance Director recruitment will come back to a future Council meeting when the full Council is present.

BUSINESS FROM THE COUNCIL

Kopczynski asked about the status of the League of Oregon Cities legislative priorities list. Hare advised that this item would be in the July 11, 2016, City Council Regular Session agenda, and asked that Council think about their priorities in advance.

CITY MANAGER REPORT

Assistant City Manager/Chief Information Officer Jorge Salinas reviewed a handout titled Street Lights (see agenda file). He explained that the City was contacted by a consultant from Siemens regarding possible savings that could be seen as a result of the City acquiring and managing its own network of streetlights. Salinas reviewed the figures on the handout. Discussion followed. Salinas noted that if Council is interested in this prospect, or would like more information, Siemens can do additional analysis and look more closely at the potential for savings, but there will be costs associated with that work. Staff wanted to give Council the opportunity to approve or reject the proposal from Siemens. Council did not express any interest in pursuing this item further.

ADJOURNMENT

There being no other business, the meeting was adjourned at 5:46 p.m.

Respectfully submitted,

Reviewed by,

Holly Roten
Administrative Assistant I

Jorge Salinas
Assistant City Manager/ Chief Information Officer