

**CANBY CITY COUNCIL
REGULAR MEETING MINUTES
April 17, 2013**

Presiding: Mayor Brian Hodson

Council Present: Rich Ares, Traci Hensley, Clint Coleman, Tim Dale, and Ken Rider.
Councilor Greg Parker was absent.

Staff Present: Greg Ellis, City Administrator; Joseph Lindsay, City Attorney; Darvin Tramel, Environmental Services Manager; Penny Hummel, Library Director; Bryan Brown, Planning Director; Amanda Zeiber, Asst. City Administrator/HR Director; and Kim Scheafer, City Recorder.

Others Present: Jon Dragt, Jason Padden, Sue Engels, Roger Reif, Dustin Brown, Mary Walsh, Tracie Heidt, Jean Tallman, Linda Warwick, Theresa Enderle, Susan Bitter, Ruth Irons, Joyce Ares, Bob Backstrom, John & Heather Steach, Kathy Stuart, Craig & Kathy Shinn, Tom Olson, Bob Cornelius, Greg Perez, Linda Baty, Stephanie Boyce, William Foster, Myron Peto, John Smith, Birgitta Clark, Bev Doolittle, Matt Michel, Marty Moretty, Walt Daniels, Larry Castle, Greg Penner, and Ray Hughey.

CALL TO ORDER: Mayor Hodson called the Regular Meeting to order at 7:30 p.m. in the Council Chambers followed by opening ceremonies.

COMMUNICATIONS: None.

CITIZEN INPUT & COMMUNITY ANNOUNCEMENTS: Bob Backstrom, Canby resident, said there was nothing positive in the flier that was set out regarding the old library being remodeled. Mr. Backstrom asked a series of questions about Urban Renewal, CAT facility location, fundraiser for the Library, and the potential for combining facilities.

Mayor Hodson said it was not known yet if the CAT facility relocation would be permanent, combining library and the school district had not been pursued, and there were payroll expenses for staff coming out of Urban Renewal.

Penny Hummel, Library Director, said the cost in the budget for fundraising encompassed a number of things not just compensation.

MAYOR'S BUSINESS: Mayor Hodson mentioned the Boston Marathon tragedy. The Police Department was working hard to make sure Canby citizens were safe. He announced a sidewalk repair project would be happening on S. Manzanita until May 30, the railroad crossing on Ivy Street would be closed for two days next week for crossing repair, Shred Day would be held on April 18, a Business Safety Workshop would be held on April 18, Highway 99E in Canby would be paved this summer, and there was the possibility for grant funding for reconstruction of 99E. He had testified on HB 2945, creation of a rural area commission on transportation. The Clackamas Cities Association dinner had been canceled.

COUNCILOR COMMENTS & LIAISON REPORTS: Councilor Ares said at next month's Parks and Recreation Advisory Board meeting there would be discussion on the dog park and the Northwood's Park. He attended the Adult Center Board meeting and it was noted the exit signs

were not illuminated and did not meet Code and the air conditioning systems needed to be replaced. He announced the services provided at the Adult Center and how people could donate.

Councilor Hensley attended the C4 meeting and Fire Marshall Troy Buzalsky's retirement. The School District would be meeting on April 18. The Garden Spot Run was being postponed until later in the year.

Mayor Hodson said Councilor Parker was on his way back from the Main Street Conference, but had been delayed due to weather in Denver.

Councilor Dale attended First Friday and the Morning Show hosted by Canby Telcom. Canby Utility's Knights Bridge substation was progressing well.

Councilor Rider attended the April 9 Library Board meeting.

CONSENT AGENDA: **Councilor Dale moved to adopt the minutes of the April 3, 2013 City Council Work Session and Regular Meeting and a Change of Ownership Liquor License for 76 of Canby. Motion was seconded by Councilor Ares and passed 5-0.

PUBLIC HEARING: Establishing Fees and Charges for the Testing of Industrial Wastewater – Darvin Tramel, Environmental Services Manager, said the City needed to adopt the local limits for industrial wastewater discharge. DEQ had failed to do the public notification for the limits set in 2009 and during an audit, it was found that the City had to go back and do the public notification.

Councilor Ares clarified this was for compliance with DEQ and EPA rules. The limits were set every five years.

Mayor Hodson opened the public hearing at 8:00 p.m.

There was no public testimony.

Mayor Hodson closed the public hearing at 8:00 p.m.

RESOLUTIONS & ORDINANCES: Resolution 1150 – ****Councilor Ares moved to adopt Resolution 1150, A RESOLUTION SETTING INDUSTRIAL WASTE DISCHARGE LIMITS, DEFINING NORMAL WASTEWATER POLLUTANT CONCENTRATIONS, REQUIRING INDUSTRIAL WASTEWATER DISCHARGE PERMIT FEES, ESTABLISHING FEES AND CHARGES FOR THE TESTING OF INDUSTRIAL WASTEWATER, AND THEREFORE REPEALING RESOLUTION NO. 765. Motion was seconded by Councilor Coleman and passed 5-0.**

Resolution 1156 – Kim Scheafer, City Recorder, said the Council had a Work Session on April 3 to review updated language to this document.

****Councilor Coleman moved to adopt Resolution 1156, A RESOLUTION ADOPTING AN UPDATED DOCUMENT ENTITLED POLICIES AND OPERATING GUIDELINES FOR THE CANBY CITY COUNCIL TO REFERENCE AS IT CONDUCTS THE BUSINESS OF THE CITY. Motion was seconded by Councilor Ares and passed 5-0.**

Ordinance 1373 – Ms. Scheafer said the current language in the Code was outdated and unclear as to the procedure for noise variances. An application and a detailed process had been developed. A \$75.00 fee would be added to the Master Fee Schedule that would come before the Council in May to be updated.

****Councilor Ares moved to approve Ordinance 1373, AN ORDINANCE AMENDING CANBY MUNICIPAL CODE (CMC) CHAPTER 9.48.050 REGARDING NOISE CONTROL EXCEPTIONS AND VARIANCES to come up for second reading on May 1, 2013. Motion was seconded by Councilor Coleman and passed 5-0 on first reading.**

NEW BUSINESS: Discussion Regarding Continuation of Current Library Project, Allocating Funds to Other URD Projects, and Different Location/Design of Library Project – Mayor Hodson said it was decided in August 2012 to fund and complete a library project that would build a new library on 2nd Avenue, turn the previous Police Department location into a parking lot, the current City Hall would become Council Chambers/mixed use space, and the existing library would be converted to a new City Hall. The project would total 10.2 million dollars. Bonds were issued in December for the project along with refinancing older bond debt to better interest rates and funding the Sequoia Bridge project. Three community meetings were held in January and February on the design of the building. So far \$350,000 had been spent on the project. The purchase of land from Canby Utility was not in the project originally and would place them over budget. The Council would discuss the project and make a decision that night. He listed the options Council could take.

Mayor Hodson's position was he was not in favor of a 2nd Avenue location. Another location should be investigated and it should be built for a longer term than the current plan offered.

****Councilor Ares moved to reaffirm what the Council had already done, spend the bond proceeds to fund the projects as currently defined in the bond documents. Motion was seconded by Councilor Coleman.**

Councilor Ares said the library had originally been sited on 1st Avenue and it was changed due to Canby Utility Board's inability to move for 8-10 years. More studies were done and the 2nd Avenue location was found to be the most advantageous. He suggested the City sell the properties it owned on 1st Avenue to put those properties back on the tax rolls.

Councilor Hensley was not for a 2nd Avenue library location. It should be a combined City services building at a different location. 2nd Avenue property should be returned to the tax rolls sooner rather than later.

Councilor Coleman shared the example of West Linn's library expansion and remodel that had become a tremendous asset. There were too many unknowns moving this to 3rd Avenue. Financing rates for municipal bonds were the cheapest they had been in a long time and construction costs would also increase in the future. If the City could not reach an agreement with Canby Utility then they should look at other options. If a deal could be done, it should move forward to promote healthy growth in our community.

Councilor Dale gave the reasons he was against the 2nd Avenue location. He thought 3rd Avenue was a better option. He favored looking at different locations and the options. He knew the

monetary challenges were formidable. The game changer for him was the substantial investment it would take to acquire the Canby Utility property.

Greg Ellis, City Administrator, explained the options for acquiring the Canby Utility property.

Councilor Rider was not anti library but had been struggling with the economics. If he had been on the Council previously he would have not voted for the library due to the economic time of our City and state. There were struggles with PERS and the disparity between the growth of PERS and employee health benefits vs. the revenue from property and income taxes. These were perilous times economically and he thought the library should be put off until the economy and employment came back.

Jason Padden, Canby resident, was on the City Council and voted to use Urban Renewal funding for the library to spur growth in the downtown core. He thought the plan before the Council was better than the one he voted on. This would realize improvements on property the City already owned and would combine all city offices under one roof. Canby had been fiscally responsible and did not take spending lightly. If this project did not go forward, it would set back wheels in motion by previous Councils to do really great work. There had been other examples of spending money on projects that did not generate revenue, but this would bring businesses in.

Kathy Shinn, Canby resident, said those that wanted to end the project were being disrespectful to the scores of people in the community who had donated time to raise funds to give the City a 21st century library and was disrespectful to staff who had been working on it so long. To change this project and back out would impact future funding opportunities. Backing out was not good oversight of public funds.

Myron Peto, Canby resident, stated money had already been spent. He compared paying for this project like paying for a child's college education. He thought the risk should be taken to invest in the future. He asked the Council to accept what had been voted on twice and say yes to the library and yes to the future of Canby.

Craig Shinn, Canby resident, had served on many boards and commissions. He supported Urban Renewal Districts and the Urban Renewal Agency and wanted them to invest in Canby's future and continue the library project. He gave the example of when the Adult Center was constructed and the controversy then. Rescinding the previous Council's vote on the library or blocking its continuation would violate the trust and crush the spirit of those who had been engaged in moving the project forward. He asked for support of the project.

Dustin Brown, Canby resident, stated his family used the Wilsonville library as it was designed for kids and had a well thought out design. On those days they are spending money in Wilsonville, not in Canby. Libraries made economic sense and the City had stiff competition for bringing people in. Canby needed to work on being more family friendly.

Roger Reif, Canby resident, said he didn't want to be here as he didn't like seeing conflict among members. He asked the Council to consider the citizens who tried to make Canby all it could be. He thought they were about ready to blow a great opportunity. He gave an analogy about Milgard Windows who wanted to come to the City, but didn't. He thought businesses and citizens came to progressive communities. There would be a fall in credit rating, fall in reputation in the community, and it would hurt kids. He asked that the Council not derail the train.

Bill Foster, Canby resident, said there had been an election since the vote on the library and the Council knew how the whole community felt. He encouraged them to do what the community had asked as the new Council.

John Smith, Canby resident, had first-hand experience on what the location of a library did for a community. He gave the example of the Wilsonville library and how it had brought growth. The improvements on 1st Avenue was done to make Canby a magnet and by locating the library out of the way it would no longer be a magnet for development.

Jon Dragt, outside City limits Canby resident, said he had been deeply involved in the process. Moving the library to 3rd Avenue would cost the city more money and they would have less library. They did not take into account the human cost. He compared the situation to the movie *It's A Wonderful Life*. They could not expect an angel to come down and show them what would have happened if they had built the library and won't know the lives that could have been affected if it was canceled. Former City Councilor Walt Daniels made a decision in support of this project. He thought the Council needed to become George Baileys and respect the work of the George Baileys like Mr. Daniels and allow the project to move forward without more delays or obstacles.

Mary Walsh, Canby resident, formerly lived in West Linn and was Chair of the West Linn Library Board when they built the library 25 years ago. If the City Council had stopped the progress made, it would have been confusing and frustrating. She had attended some of the design meetings for the library and did not hear any negatives. Many hours had been put into it and there was \$500,000 in grant applications out there for the project. They would lose the Library Director if this did not go through. She asked the Council to go forward with the project.

Tracie Heidt, Canby resident, had given many hours to the library as a volunteer and was on the Friends of the Library Board. The current library was small and unattractive and was not a place for families to hang out as Wilsonville and West Linn libraries were. A 21st century library would fill that need. She thought the Library Director was the best thing that could have happened to Canby as she increased programming, circulation, library services, and vision and she would leave if it did not go through. She thought it was good use of the Urban Renewal funds as the library would energize downtown, serve the intellectual and social needs, and renew the citizens' faith in the elected officials. She asked that the Council fulfill their responsibility to the City and get on board with the new library.

Theresa Enderle, Canby resident, read some of the highlights from the Council's Proclamation of National Library Week from the previous Council meeting. She supported energizing downtown and building the new library as its cultural and community center as approved by a vote of the City Council. There were many supporters of the library and actively fundraising going on for the effort. The majority wanted the library to be completed as planned and the Council represented them. She read a letter into the record from Linda Warwick who was the President of the Friends of the Library Board and in favor of the library going forward as planned. Not moving forward would be a breach of the voters' trust.

Jean Tallman, Canby residents, had lived in Canby for 22 years and had served on the City Council and Planning Commission. The Council's responsibility was to the people who voted for them, not their own will and desires. Canby loved its library. They needed to keep the big picture in mind. Businesses would be nothing without the people. Amenities in the community drew

people in and the library was the heart of the community. The Council needed to listen to the people who wanted the project to go through.

Ruth Irons, Canby resident, was frequently in the library and it was always busy. Putting this project on hold would cost the City more money and she doubted they would ever get another library.

Robert Backstrom, Canby resident, said the City would be \$500,000 short in revenue when the budget was put together due to paying Urban Renewal bonds and more every year. At the end of the District it would be \$1,550,000. This would triple in seven years and he questioned if revenues would triple in seven years. There were other upcoming costs, such as for PERS. He asked how they would they meet the budget and would there be future levies or cuts to meet it. Urban Renewal debt was increasing and people were worried about the finances of the City.

Larry Castle, business owner, said they had spent a lot of money and effort on the project and it was not conservative to throw it away. The rates were low and plenty of labor available. Why put it off until the rates, expenses, building costs, and wages were higher. Why not put people to work now? It would bring revenue to the community. The library was popular and in this economy people had voted to fund the library. The commitment had been made and people were counting on the Council to not break that promise.

Susan Bitter, Canby resident, was stunned at the process that was going on. The project was mandated and approved by the previous Council. They had an ethical responsibility to go forward with that mandate. She was stunned they would throw away all the project money, manpower, and resources that had been used so far. They had already done the planning for 2nd Avenue. She hoped their legacy would be part of the solution.

Joyce Ares, Canby resident, said a library should be vital and show the life of the City that it was in. A lot of money had already been spent in planning the new library and the bonds had been sold. As elected officials they had the obligation to do what was in the best interest of the entire community. When Urban Renewal funds were spent on 1st Avenue, they increased the value of the City. If this did not pass, a library would not be sited on 3rd Avenue. It would be walking away from the library completely.

Kathy Stuart, Canby resident, had been a long time supporter of the library and was a member on the Friends of the Library Board. The new library was important to the City and would benefit the City in many ways. They needed to listen to their constituents. She thought the decision had been made to go forward and she did not know why they were still talking about it. They needed to move forward once and for all.

Walt Daniels, Canby resident, said Roberts Rules of Order was what the Council operated under. If these rules had been followed, they wouldn't be here that night. This was a decision by a previous Council to go forward and the majority ruled. If they were to reconsider something already decided, someone who voted in favor of it would ask for a motion for reconsideration and the whole Council would vote on it. There was a lot of retail space available downtown. The Council needed to follow the Roberts Rules of Order and it should have been reconsidered several months ago before all the work had been done. Council needed to move forward with the decision that had been made.

Tom Olsen, Canby resident, was one of the facilitators with the Canby Community Vision that was adopted. One of the driving themes was community renewal and building on positive, wise decisions already made. Canby benefited greatly by having a variety of gathering places to build a sense of community and provide services. Downtown was already attracting people. A new, modern library was a major pivotal point on the route to the new City Vision. Reversing the decision was not renewal, it was retreat and retrenchment.

Sue Engels, Aurora resident, paid \$95.00 every year to be able to use the Library. She discussed economic drivers and need for a full service City. She listed all of the things she had purchased and services she had used in the last 12 months in Canby. A community had to have hooks to get people to come and stay. This was the right place to put a library. She explained what the current administrative offices were like, which were dumps, and not good for customer service. New administrative offices were needed. This was a good plan with the best interest rate they would ever see.

Stephanie Boyce, Canby resident, said her issues with the library were the misuse of Urban Renewal money. Local governments used Urban Renewal as a first resort for assembling large scale projects. Government was not to be a developer, but facilitate conditions that were friendly to business. A 5.7 million dollar library that did not generate revenue was being built on prime real estate where private businesses could be generating revenue and jobs. There could be other alternatives and options for the library.

John Lesser, Canby resident, said when he first moved to Canby, the only things that bothered him was there was no theater and the condition of the library. There was now a theater, but the library still bothered him. His granddaughter wanted to go to the Wilsonville library. The Canby library was not a place where a person wanted to stay. He hoped the Council would approve the new library as it was important to citizens.

Councilor Ares said if they did not move forward with the plan, the bonds that had been sold could only be used for another activity on the Urban Renewal Plan. Urban Renewal was public money used for investment to improve the community. It increased the value of private property and the public needed a return on their investment, which was the library. The library would not be built on 3rd Avenue in the near future as it was difficult and expensive to accumulate the property. The other projects in the Urban Renewal Plan would not have the payback to the community.

Councilor Coleman thought due to the momentum in downtown and timeliness on the financing, that the Council needed to move forward with the Library and put the emphasis on filling the Industrial Park.

Motion failed by roll call vote 2-3 with Councilors Hensley, Dale, and Rider opposed.

Councilor Hensley said it was a close vote and close in the opinions of the community. Returning the funds was not an option. She thought they needed to look at reallocation or relocation. She also thought this needed to be an advisory vote on the ballot.

There was discussion regarding whether or not to direct staff to look at reallocation or relocation options.

Mr. Ellis said the 3rd Avenue option was more than million dollars which did not include the purchase of property.

Councilor Rider said the majority of the people who came to the meeting were in favor of moving forward with the library. He thought the people had spoken.

****Councilor Rider moved to reconsider the previous motion to spend the bond proceeds to fund the projects as currently defined in the bond documents. Motion was seconded by Councilor Ares. Motion passed by roll call vote 4-1 with Councilor Hensley opposed.**

ADMINISTRATOR'S BUSINESS & STAFF REPORTS: None.

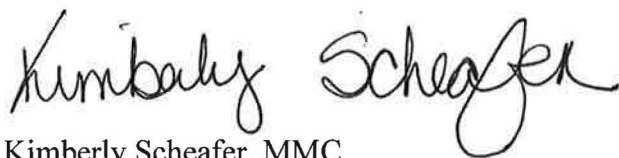
CITIZEN INPUT: Mr. Padden was disappointed in the Council's actions of going against the community.

ACTION REVIEW:

1. Approved the Consent Agenda.
2. Adopted Resolution 1150.
3. Adopted Resolution 1156.
4. Approved Ordinance 1373 to come up for second reading on May 1, 2013.
5. Reaffirmed to spend the bond proceeds to fund the projects as currently defined in the bond documents.

There was no Executive Session.

Mayor Hodson adjourned the Regular Meeting at 10:48 p.m.



Kimberly Scheafer, MMC
City Recorder



Brian Hodson
Mayor

Assisted with Preparation of Minutes - Susan Wood

To the Canby City Council,

I'm out of town, so am asking a friend to read this message into the record. My husband and I moved to Canby fairly recently. We were looking for a city that was small enough to feel like "home" yet progressive enough to provide the services a community needs. It was clear to me from the first that the library was a significant resource to the community, providing language help, computer services, family programming--a great deal more than access to books. It was also clear that the library was inadequate. The library was out of room, jammed to the rafters with people who needed its services. For that reason I was thrilled to learn that we would soon have a new library. The planning process was fascinating and involved a large group of citizens who, like me, were eager to help plan this wonderful new community asset.

This is why I am honestly horrified by the thought that our city council is even considering the possibility of reneging on their promise to build the library. Such an action would, I believe, be a serious breach of the trust the voters have placed in the Council members.

Linda D. Warwick
Friends of the Library Board President