

**CANBY CITY COUNCIL  
CITY COUNCIL WORK SESSION  
June 19, 2013**

**Presiding:** Mayor Brian Hodson

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

**Staff Present:** Joseph Lindsay, City Attorney, and Kim Scheafer, City Recorder.

**Others Present:** None.

Mayor Hodson called the Work Session to order at 6:30 p.m. in the City Hall Conference Room.

The Council met in a Work Session to discuss the performance evaluation guidelines and process for the City Administrator, City Attorney, and Municipal Court Judge.

Mayor Hodson handed out the forms that would be used to evaluate the City officers. Department Directors would be submitting evaluation forms of the City Administrator to the Council.

Councilor Hensley asked if the prior year's evaluations could be sent to the Council prior to the evaluations.

There was discussion regarding the process for each annual review. Mayor Hodson suggested avoiding broad sweeping statements, using bullet points to help create dialogue, and using specific examples.

Mayor Hodson said the City Administrator's evaluation was scheduled for July 17, the Municipal Court Judge for August 7, the City Attorney for August 21, and goal setting for the City Administrator on August 21.

Mayor Hodson adjourned the Work Session at 6:50 p.m.

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**CANBY CITY COUNCIL  
REGULAR MEETING MINUTES  
June 19, 2013**

**Presiding:** Mayor Brian Hodson

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

**Staff Present:** Greg Ellis, City Administrator; Joseph Lindsay, City Attorney; Haley Fish, Finance Director; Penny Hummel, Library Director; Bryan Brown, Planning Director; and Kim Scheafer, City Recorder.

**Others Present:** Duane Stoner, Bob Backstrom, Paul Farrar, Jon Dragt, Kevin Batridge, Kathy

Shinn, Craig Shinn, Theresa Enderle, Elie Enderle, Linda Warwick, John Warwick, Joyce Ares, Myron Peto, Tracie Heidt, Dustin Brown, Lila Gottman, Winnie Savory, Lori Fitzgerald, Wayne Scott, Lizzy Morris, Katie Murphy, Marty Moretty, Bev Doolittle, Scott Sasse, Linda Baty, Ron Whiting, Kristin & Craig Morris, Mike Cranston, Shanna Cranston, Hanna Hofer, Deloris Rider, Birgitta Clark, Greg Perez, Bill Foster, Bob Westcott, and Tom Vandehey.

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

Fill-the-Boot Day Proclamation – Mayor Hodson read a proclamation proclaiming July 27, 2013 as Canby Fire District #62 “Fill-the-Boot” Day for the City of Canby and presented it to Duane Stoner.

Mr. Stoner said this was the fifteenth year of the program in Canby and encouraged citizens to participate.

**COMMUNICATIONS:** Penny Hummel, Library Director, said the Meyer Memorial Trust just awarded the new Canby Public Library a \$175,000 grant. She thanked Canby Kiwanis Club for the donation of the proceeds from their annual plant sale to the new library. So far \$621,000 of the one million dollar goal had been raised.

**CITIZEN INPUT & COMMUNITY ANNOUNCEMENTS:** Lila Gottman, General Canby Day Chair, spoke about the events planned for July 4.

Paul Farrar, retired teacher from Canby School District, had been banned from school district property for the last 14 years under threat of being arrested for criminal trespass. He had tried to work with the last three Superintendents. He would be mailing a letter to the School District.

**MAYOR’S BUSINESS:** None.

**COUNCILOR COMMENTS & LIAISON REPORTS:** Councilor Hensley said Canby submitted a grant application to ODOT for sidewalks on Ivy and public comments could be submitted online to the end of June.

**CONSENT AGENDA:** **\*\*Councilor Dale moved to adopt the minutes of the June 5, 2013 City Council Work Session and Regular Meeting; Appointment of Linda Warwick to the Canby Public Library Board for a term to end on June 30, 2017; reappointment of Sharon Trimble to the Bike and Pedestrian Committee for a term to end on June 30, 2016; and a New Outlet Liquor License for Frack Burger. Motion was seconded by Councilor Ares and passed 5-1 with Councilor Rider opposed.**

**PUBLIC HEARINGS:** Mayor Hodson read the public hearing notice.

State Revenue Sharing Funds – Haley Fish, Finance Director, said this was how the City used state revenues in the budget. The City was saying it met all of the conditions to receive the funding in Resolution 1161 and that the City elected to receive the revenues in Resolution 1166. The funds would be used in the Administration revenue budget of the General Fund.

Mayor Hodson opened the public hearing at 7:54 PM.

Public Testimony:

Proponents: None.

Opponents: None.

Mayor Hodson closed the public hearing at 7:54 PM.

2013-2014 FY Budget as Approved by Budget Committee – Mayor Hodson said this was the budget that was approved by the Budget Committee.

Mayor Hodson opened the public hearing at 7:56 PM.

Public Testimony:

Proponents: Jon Dragt, resident of Canby, appreciated that all the departments were treated fairly and equitably in the budget.

Opponents: None.

Mayor Hodson closed the public hearing at 7:57 PM.

2012-2013 FY Supplemental Budget – Ms. Fish said the Forfeiture Fund received more than 10% in revenue than anticipated and the Transit fund would appropriate \$200,499.00 to repay the interfund loan to the Sewer fund. There were administrative changes to clean up the budget as well.

Mayor Hodson opened the public hearing at 8:00 PM.

Public Testimony:

Proponents: None.

Opponents: None.

Mayor Hodson closed the public hearing at 8:00 PM.

## **RESOLUTIONS & ORDINANCES:**

Resolution 1169 – Mayor Hodson said if citizens wished to address the Council they needed to be respectful.

Joe Lindsay, City Attorney, said this resolution moved funds between the City and Urban Renewal which were separate entities. The Urban Renewal Agency promised to pay back the loan as taxes came in and the City would use the Combined Sewer Fund for an immediate purchase of land for \$950,000 from Canby Utility. This was a ten year loan with a 5% payback.

Ms. Fish said the analysis took into account the latest SDCs and rates, the capital improvement plan for the next ten years, and a contingency for emergencies and they were still able to fund this loan. She had looked at six options and this was the one she recommended.

Councilor Ares said historically this fund was being built up for the day when a major upgrade to the sewer plant would occur which was forecast 12-17 years out. He explained the plan was to acquire all of the Canby Utility property and sell the property on 1<sup>st</sup> Avenue when Canby Utility moved out in two years to repay the loan and get the properties back on the tax rolls.

Kathy Shinn, resident of Canby, wanted to reinforce the decision to move forward with the library at the April 17 meeting. The Mayor had said after the decision was made that night they all needed to move forward in unity. She hoped people would move forward with the library. The money that had been raised showed people's faith in this community.

Teresa Enderle, resident of Canby, was a member of the Friends of the Library and Library Foundation Board where the mission was to build a new library and civic center for Canby. Both boards were actively fundraising and had achieved many donations. She was asking the Council to improve and embrace the project and to assist in all efforts to see the new library started and completed on time and on budget.

Linda Warwick, resident of Canby, said there had been a lot of objections to building the library, but they were really objections about spending money and incurring debt. She gave the example of Andrew Carnegie who endowed the Carnegie libraries. The City already spent half a million dollars in planning for the library and had floated the bond to build the library. That money would be lost if it was not built and the possibility of getting grants for a future project would also be lost. She hoped they would leave that night in unity moving forward.

Joyce Ares, resident of Canby, discussed the history of other buildings where people did not think it was the right time or could not afford it. There was always some reason not to do something but there were more reasons to do it. She thought it was time to go forward and she thanked the Council for their commitment to the citizens.

Myron Peto, resident of Canby, said there was a battle between ideology and pragmatism. When things swung too far on the ideology side things did not get done and the government did not service like it should. There needed to be recognition that people disagreed with the decision and they needed to be listened to. Turning back on the library now would be problematic, and he urged them to vote yes and move forward with the library.

Tracie Heidt, resident of Canby, was a member of the Friends of the Library. She discussed the Urban Renewal District and positive things it had done for the community. The District will expire in 2019 and in the meantime they should be grateful for what it gave them. The decision had been made and they should move forward.

Dustin Brown, resident of Canby, was glad the Council took the finances of the City seriously. He was proud of the wisdom and what was done with the Sewer fund. The conversation around the library had been passionate and at times the Council had been looking for ways to change the decision of previous Councils. The plan of borrowing from the Sewer fund and paying it back was genius. He hoped it would move forward.

Mr. Dragt said this was a known piece of the project and known to the Council on April 17 when they made their decision. This should be a simple, housekeeping meeting. He did not think it needed to be argued. He discussed the rumor that the building would be obsolete in 15 years. The architect at the Planning Commission meeting said he could only study up to 15 years because

predictions were unreliable after that. The facility would be adequate at 15 years. He thought it would be adequate for generations. This was the perfect opportunity for Canby to invest in itself and flourish.

Wayne Scott, resident of Canby, said the projections that they made to the citizens were wrong. The application had been turned down three times by the Planning Commission. The next process would be appeal to the Council and if the Council approved it, they would override the Planning Commission. If a private developer brought the project forward in the same way, it would never get this far in the process. He thought the proposal to take money from the Sewer fund for ten years was a bad one. The sewer rates were just raised and he did not think they should be raised to create funds that could be borrowed to build things the City may or may not be able to afford. If they did not need the reserves, they should not raise the rates. He questioned how the loan would be repaid since selling the properties would not be near the price of the appraisal. He questioned how the City would have the funds to operate a library three times the size of the current one. He thought it was wrong to put the City in this position.

Robert Backstrom, resident of Canby, thought the Police Department facility was built without citizen input. Citizens were not allowed to vote on Urban Renewal projects. He thought the City did not value what the citizens said. New developments had arisen and the issue needed to be reopened. Red flags such as plans being submitted that did not meet City building code, contaminated soil under the property, and the new library would be obsolete in less than 15 years needed to be addressed. This was a questionable land purchase. This issue was forwarded on in April due to the severe financial penalty the City would face and the fact the public showed up in strength. Those factors were no longer valid, they could spend the bond money without the penalty and there had been a clear mandate that no Urban Renewal project should be funded without a vote. They could not continue to spend additional funds on a constantly moving target and speculate with tax payer dollars.

Jason Padden, resident of Canby, said the Council he sat on and the one before had a vision to purchase all of the property on this block and use it for a municipal complex. This was not just a library project, but a City facilities project. The current City facilities were a joke and this project would be a cost savings in equipment and labor. The Council said they were going to do it, now it was time to follow through.

Mr. Scott thought the Urban Renewal funds had been used poorly and this would continue the poor use of funds. They would never be able to sell the properties to pay it back and they would have to take money from the General Fund to operate the new library. He thought they should use the money when they had the money, borrowing was not the best answer and tax payers would continue to pay it for many years. He thought they should not obligate that fund and raise rates to offset it. The URD was not originally passed for this type of use.

Craig Shinn, resident of Canby, said in the life of public officials when they made decisions there would always be new information and challenges. This decision was a good and right one that furthered a long term goal. He urged the Council to make the decision that allowed them to go forward. A lot of people thought that was the right thing to do.

Kristin Morris, resident of Canby, was a late joiner to the discussion of the library. As a mother of four children, three of whom were in school, libraries were not of importance to them. Kids could do research at home now and they did not use the public library very often. Property taxes

were already prohibitive and there would be more debt to be burdened with. She did not think it was a benefit and was opposed to it.

Craig Morris, resident of Canby, was very involved in education, but the kids that he was involved with did not go to the library. Research was done at home. He did not want the taxes to be raised. He thought the money would be better spent to bring businesses into the community. They could not keep borrowing money they didn't have. He was opposed as he thought the money could be better spent bringing people to the community rather than taxing them out of it.

Sharon Trimble, resident of Canby, was on the Bike and Pedestrian Committee. Her daughter loved going to the library and had participated in many library activities.

Cathy Whiting, resident of Canby, was on the Library Board. Regarding whether children checked out books anymore or not, they should take a look at the circulation data. She was amazed at the number of children's books that went in and out of the library.

**\*\*Councilor Arcs moved to adopt Resolution 1169, A RESOLUTION AUTHORIZING AN INTERGOVERNMENTAL AGREEMENT FOR THE LOANING OF MONEY FROM THE CITY OF CANBY TO THE URBAN RENEWAL AGENCY AND PLEDGING OF TAX INCREMENT REVENUES. Motion was seconded by Councilor Coleman.**

Mayor Hodson agreed the state of the City's buildings were in dire need of attention. He thought this was the best option for Canby. He had deep concerns about taking funds from the Sewer Reserve to use them on the library. It was unknown what the property would sell for and they did not know if the library would be successful and generate revenue. This was an attempt to rectify the mistake of not addressing the land use issue at the beginning of the process. By approving it, they were increasing the cost of the project to 11.5 million dollars. He wanted to see a new library for Canby and improve the City staff situation. He was concerned about going this route.

Councilor Coleman attended a meeting last night with Patti Webb of Clackamas County regarding Main Streets and how to meet the challenges in order to have a thriving downtown. Change represented uncertainty, but the Canby Utility property represented an opportunity. He thought they could work with the Planning Commission and was optimistic about selling the property. As the Industrial Park filled in, every effort needed to be made not to be afraid of growth but to bring in the right businesses. The best days were in front of them.

Councilor Hensley explained the path of how a 5.7 million dollar project was now almost 12 million. She thought it was irresponsible that they had proceeded this far without the land being completed and that borrowing this money was not fiscally sound. She urged the Council to be on the side of caution and not rob one fund to pay another.

Councilor Rider asked if there was a precedent for borrowing money from the City budget to use for a project in the Urban Renewal District. If the City had a need outside of the budget, they went to a vote, but it was different for the URD as only the Agency could make that decision. The voters had no voice in the matter. Many people told him they were against the library. They were not economically viable to take this step and put this kind of money into a library at this time. The previous Council had discussed swapping property, but that had fallen through. Now



they had to borrow money without tax payer approval to buy property. He thought the Council should not go ahead with the library because the people had not been able to vote on it.

Councilor Dale said his concern was with the funding mechanism of this purchase. He opposed borrowing from the Sewer fund to fund the Transit Department and was consistent in that position.

**Motion failed 4-3 with Councilors Ares, Coleman, and Parker in favor. Mayor Hodson voted no to break the tie.**

Resolution 1160 – **\*\*Councilor Dale moved to adopt Resolution 1160, A RESOLUTION ADOPTING AN INTERAGENCY AGREEMENT BETWEEN THE CITY OF CANBY AND THE CANBY SWIM CLUB, INC. Motion was seconded by Councilor Hensley and passed 6-0.**

Resolution 1161 – **\*\*Councilor Dale moved to adopt Resolution 1161, A RESOLUTION VERIFYING THAT THE CITY OF CANBY HAS MET THE REQUIREMENTS TO RECEIVE STATE-SHARED REVENUE MONEY. Motion was seconded by Councilor Rider and passed 6-0.**

Resolution 1162 – Ms. Fish said the resolution before them was approved by the Budget Committee. It had the interfund loan included so it would need to be revised.

Greg Ellis, City Administrator, said in the Transit fund under personnel services, he wanted to move \$114,833.00 to material and services.

**\*\*Councilor Dale moved to adopt Resolution 1162, A RESOLUTION ADOPTING THE BUDGET, MAKING APPROPRIATIONS, AND IMPOSING AND CATEGORIZING TAX FOR THE 2013-2014 FISCAL YEAR as amended by moving \$114,833.00 from the Transit fund personal services to material and services and removing the interfund loan. Motion was seconded by Councilor Rider.**

Councilor Hensley voted no on the budget at the Budget Committee level. She had problems with the URD absorbing salaries and thought the cuts of 2% needed more conversation.

Councilor Dale said Canby like other local governments was suffering from the fact that the slope of the revenue curve was much shallower than the slope of the expense curve. In the next biennium they would have very tough decisions to make to maintain services.

**Motion passed 5-1 with Councilor Hensley opposed.**

Resolution 1163 – **\*\*Councilor Ares moved to adopt Resolution 1163, A RESOLUTION ADOPTING A SUPPLEMENTAL BUDGET FOR THE 2012-2013 FISCAL YEAR. Motion was seconded by Councilor Coleman and passed 6-0.**

Resolution 1164 – **\*\*Councilor Dale moved to adopt Resolution 1164, A RESOLUTION CLOSING THE LIBRARY ENDOWMENT FUND AND DEPOSITING ITS ENDING BALANCE INTO THE LIBRARY FUND TO BE RESTRICTED TO USE ON THE NEW LIBRARY PROJECT. Motion was seconded by Councilor Hensley and passed 6-0.**

Resolution 1165 – **\*\*Councilor Hensley moved to adopt Resolution 1165, A RESOLUTION CLASSIFYING THE FLEET SERVICES FUND AND THE TECH SERVICES FUND AS INTERNAL SERVICE FUNDS. Motion was seconded by Councilor Coleman and passed 6-0.**

Resolution 1166 – **\*\*Councilor Ares moved to adopt Resolution 1166, A RESOLUTION DECLARING THE CITY'S ELECTION TO RECEIVE STATE REVENUE FOR FISCAL YEAR 2013-2014. Motion was seconded by Councilor Hensley and passed 6-0.**

Resolution 1167 – **\*\*Councilor Dale moved to adopt Resolution 1167, A RESOLUTION OF THE CITY OF CANBY ADOPTING UPDATES TO THE CITY OF CANBY ADDENDUM TO THE CLACKAMAS COUNTY MULTI-JURISDICTION NATURAL HAZARDS MITIGATION PLAN. Motion was seconded by Councilor Hensley and passed 6-0.**

Resolution 1168 – **\*\*Councilor Hensley moved to adopt Resolution 1168, A RESOLUTION CLOSING THREE CITY FUNDS AND DEPOSITING THEIR ENDING BALANCES INTO THE GENERAL FUND. Motion was seconded by Councilor Ares and passed 6-0.**

Ordinance 1377 – **\*\*Councilor Ares moved to adopt Ordinance 1377, AN ORDINANCE AUTHORIZING THE CITY OF CANBY TO ENTER INTO AN AMENDED CONTRACT WITH KINTECHNOLOGY INCORPORATED TO CONTINUE TO PROVIDE COMPUTER TECHNICAL SERVICES FOR THE CITY; AND DECLARING AN EMERGENCY. Motion was seconded by Councilor Coleman and passed 6-0 by roll call vote.**

Ordinance 1379 – **\*\*Councilor Ares moved to adopt Ordinance 1379, AN ORDINANCE AUTHORIZING THE MAYOR AND CITY ADMINISTRATOR TO AWARD A CONTRACT WITH C.R. WOODS TRUCKING, INC. IN THE AMOUNT OF \$229,800.50 FOR CONSTRUCTION OF THE NORTHWOOD PARK PROJECT; AND DECLARING AN EMERGENCY. Motion was seconded by Councilor Hensley and passed 6-0 by roll call vote.**

Ordinance 1382 – **\*\*Councilor Hensley moved to adopt Ordinance 1382, AN ORDINANCE AUTHORIZING THE CITY OF CANBY TO ENTER INTO A CONTRACT WITH HEARD FARMS FOR WASTEWATER SLUDGE REMOVAL; AND DECLARING AN EMERGENCY. Motion seconded by Councilor Dale and passed 6-0 by roll call vote.**

**NEW BUSINESS:** Cancellation of July 3, 2013 City Council Meeting – Council consensus was to cancel the meeting on July 3.

**CITY ADMINISTRATOR'S BUSINESS & STAFF REPORTS:** None.

**CITIZEN INPUT:** Ms. Enderle asked what the next steps were if there was no purchase of the Canby Utility property. She thought they should hold the meeting on July 3 to discuss it.

Mr. Ellis clarified the property purchase would be discussed in the Urban Renewal meeting that night. The interfund loan was voted down, but there were other options for the funds.



Mr. Scott hoped that borrowing money and incurring debt was not an option.

Mr. Padden apologized for his flippant and heated remarks at the April meeting. He meant the Council no ill will or disrespect.

Mr. Brown was confused about the Council voting against something and not having plans in place for what would go forward.

Mayor Hodson said the Urban Renewal Agency would decide how to proceed.

Mr. Brown asked who would benefit if the Canby Utility property was sold and privatized instead of being used for a library.

Mayor Hodson said no one was identified as a potential buyer.

Mr. Scott clarified he had no desire to purchase the property.

Mr. Dragt felt personally disrespected by the Council. He felt they were taking advantage of the volunteers. They were in danger of throwing away 1.6 million dollars in the name of fiscal responsibility. He felt he had been lied to by the Council. He did not want to donate time and effort to people who lied.

Ms. Ares did not understand why the Council had changed their minds. They were putting in jeopardy 1.6 million dollars in addition to the money from the Urban Renewal Bond. This was not fiscally responsible.

Councilor Ares said the action so far was they turned down the interfund loan. In the next meeting, they would consider the purchase agreement. It was possible that a resolution to approve the purchase could go forward and they could bring back a means of paying it.

Bob Westcott, resident of Canby, was on the City Council in 1972 and was the Canby Utility Board liaison. His memory was the Utility Board purchased the property.

#### **ACTION REVIEW:**

1. Approved the Consent Agenda.
2. Resolution 1169 failed.
3. Adopted Resolution 1160.
4. Adopted Resolution 1161.
5. Adopted Resolution 1162.
6. Adopted Resolution 1163.
7. Adopted Resolution 1164.
8. Adopted Resolution 1165.
9. Adopted Resolution 1166.
10. Adopted Resolution 1167.
11. Adopted Resolution 1168.
12. Adopted Ordinance 1377.
13. Adopted Ordinance 1379.

14. Adopted Ordinance 1382.

15. Cancelled the July 3, 2013 City Council Meeting.

Mayor Hodson adjourned the meeting at 10:09 p.m.

Handwritten signature of Kimberly Scheafer in black ink.

Kimberly Scheafer, MMC  
City Recorder

Handwritten signature of Brian Hodson in blue ink.

Brian Hodson  
Mayor

Assisted with Preparation of Minutes - Susan Wood