CANBY CITY COUNCIL
REGULAR MEETING MINUTES
December 5, 2007

Presiding: Mayor Melody Thompson

Council Present: Paul Carlson, Teresa Blackwell, Wayne Oliver, Walt Daniels, Randy Carson, and Tony Helbling.

Staff Present: Mark Adcock, City Administrator; John Kelley, City Attorney; John Williams, Community Development & Planning Director; Beth Saul, General Services Director; Ignacio Palacios, Senior Accountant; Melissa York, Office Specialist; and Kim Scheafer City Recorder Pro-Tem.

Others Present: Jan Whitcomb, Lee Whitcomb, Bob Cornelius, Marlene Elmore, Rex Hagans, Scott Gustafson, Dunny Sorensen, Keith Murphy, Frank Baccellieri, Tom Olson, Brian Olson, Sue Stein, Agnes Vanganes, Leonard Walker, Bev Doolittle, Catherine Comer, Toby Forsberg, Danelle Romain, Greg Perez, Lee Wiegand, Charles Blackwell, Doug Birkeland, Nancy Sebanstian, and Connie Nolte.

CALL TO ORDER: Mayor Thompson called the Regular Meeting to order at 7:32 p.m. followed by the opening ceremonies.

Canby Kiwanis Food & Toy Drive Proclamation – Mayor Thompson presented Keith Murphy, Marlene Elmore, Agnes Vanganes, and Doug Birkeland with a proclamation proclaiming December 9 through 15 as Canby Kiwanis Food & Toy Drive Week. Councilor Daniels said they were hoping to help 400 families this year.

Measure 3-271 Proclamation – Mayor Thompson read the certification of the November 6, 2007 Special Election regarding the revised home rule charter. The official count of votes from Clackamas County was:

Yes – 1,964, No – 2,203, Over Votes – 0, Under Votes – 435

COMMUNICATIONS: John Kelley, City Attorney, said the City had received a letter from Judge Jon Henricksen announcing his retirement. The City would be going through the process during the next couple of months finding a replacement. He thanked Mr. Henricksen for his 27 years of service.

CITIZEN INPUT & COMMUNITY ANNOUNCEMENTS: Tom Olson, chair of Canby Stand for Children, spoke in support of the construction excise tax. He discussed some studies of the cost of new development. Until now, the School District and local taxpayers had to bear all the additional facilities costs brought about through new development and growth. Now they were able to support a portion of the School District's costs brought about through new developments. Time was of the essence and he encouraged the Council to vote in favor of the intergovernmental agreement to collect the tax.

Scott Gustafson said that the City of Canby had their worker's compensation through City County Insurance Services. Their Risk Management Consultant, Dunny Sorensen, was there to make a presentation on an award the City received for their great workers' compensation record.

Dunny Sorensen from City County Insurance spoke about the history of City County Insurance. He presented the City with a Silver Award for an injury frequency of 2.22 in the past year.

MAYOR'S BUSINESS: None.

COUNCILOR COMMENTS & LIAISON REPORTS: Councilor Carlson said the Canby Livability Coalition received a Community Participation Grant from the County Cultural Coalition to underwrite professional conceptual drawings for the Art Park. They should be completed by spring. Bricks for the Art Park were available to be purchased for $50. Helping Hands, the youth division of Canby Livability Coalition, did a fundraiser with Ladybug Chocolates and they raised $517. He also expressed his gratitude to the Police Department as they were experiencing a major downturn in gang related activity.

Councilor Daniels said there would be a benefit concert on Sunday at the Fine Arts Center. He also spoke about the Canby Community Orchestra.

Councilor Helbling said that John Molamphy would not be seeking reappointment to the Planning Commission. He encouraged interested citizens to apply. Canby Business Development was continuing with the downtown design planning. They had a workshop with the Planning Commission where they worked out fine details.

CONSENT AGENDA: **Councilor Daniels moved to approve the minutes of the November 21, 2007 City Council Regular Meeting and appointment of Robert Koehler to the Library Board for a term to expire on June 30, 2008. Motion was seconded by Councilor Carson and passed 6-0.

PUBLIC HEARING: Street Maintenance Fee and Motor Vehicle Fuel Tax – John Williams, Community Development & Planning Director, said there were two ordinances before the Council. One would create a street maintenance fee and one would create a City of Canby motor vehicle fuel tax. The net funding of the two in combination was approximately $528,000 a year, $350,000 from the street maintenance fee and $178,000 from the fuel tax. The funds would be dedicated entirely to road maintenance activities following a plan that was developed by a citizen and business owner task force and was outlined in the ordinances. The funds would be dedicated, by ordinance, to maintenance of public right-of-ways only. The net revenues would be dedicated to engineering and paving projects. The level of funding would fund a moderate improvement scenario, which would result in a 10 point increase in the average road system condition in the next 20 years. The scenario chosen did not fix every street in Canby and many streets would be in a failed condition according to their projections in 20 years. The task force tried to recommend one that had a combination of feasible funding that the community would support.

Mr. Williams outlined the public outreach process and written comments that had been received. The tax would apply to all road users in Canby, along with churches. The tax applied to gas and

diesel fuel. The task force recommended a moderate and proven scenario that required about $500,000 additional funding per year. The task force felt combining the funding sources spread the costs among a variety of users and impacts. It was recommended they have a strong citizen oversight component that would meet annually to review program funding, expenditures, and the direction. They would look at what they were spending the money on, as well as what money was coming in, and from what sources. Another strong component of the recommendation was to place caps on administrative costs and eligible expenses. There were lists of eligible expenses in the ordinance, and the revenues would only be used for three things: collection of the fee, engineering projects as needed, and the projects themselves. All of the revenue would go directly to contracted maintenance projects. They also recommended a web site, direct mailings, and annual reports to let the community know how the money was being spent. The task force wanted to make sure they coordinated with the different funding sources when doing maintenance projects. They created a 20 year program of maintenance projects and integrated the City's capital projects list into it to make sure they were using both sources of money efficiently. They also wanted to make sure it was coordinated, that all the work underground happened before a road project went in and once it was done, they would not cut the street for a number of years. They wanted to toughen the street repair ordinance and review street design standards. The Public Works Manager was working on that. Traffic calming was also an issue. They were committed to a multi-year traffic calming program, but there was no money in the ordinances to do stand-alone traffic calming projects. There was also discussion regarding truck routes. They were being reviewed as part of the Transportation System Plan and new signs had been ordered.

Mr. Williams said Ordinance 1261 would create a motor vehicle fuel tax. It would be $.03 per gallon and would be administered by the Oregon Department of Transportation similar to other cities. The overhead would be 4% for the collection of it. It also created a new section in the Canby Municipal Code. Ordinance 1262 created an advisory committee, annual maintenance program report, and the creation and methodology of the street maintenance fee. This was a user fee just like any other utility bill. Some cities called them road utility bills. They were trying to get a best estimate of the usage of the road system by different kinds of land uses. They were using the methodology that they used for System Development Charges. They were based on national engineering studies of the amount of trips that were generated by different kinds of developments. These were averages. There was an appeal process that started with staff and ended at the City Council. There was also a waiver offered for vacant properties. He thought they had a good set of data and had tried hard to get a lot of people involved and informed. He recommended approval of both the ordinances.

Councilor Carson asked why they did not put all the State gas tax into pavement.

Mr. Williams said 50% of the money they received went to maintaining the road department, which was a minimal crew. They were committing, as part of this process, to keep the crew they had and all the new revenues would go to construction contracts and paving.

Councilor Carson asked why they could not use franchise fees as part of the maintenance fee.

Mr. Williams said it was a policy decision. The franchise fees they had went into the general fund and were used for general fund services.

Council Blackwell asked Mr. Williams to explain the appeal process.

Mr. Williams said the ordinances would start the tax collection and fee collection in July of 2008. There was an appeal process if they were put in the wrong category and he thought those could be resolved at the staff level. If not, then there was an appeal process from the City Administrator up to the City Council. The other issue was the rates proposed for different kinds of uses. All of it was based on the universally adopted trip generation tables and their system was based on that established methodology. They tried to get the fee as fair as possible to the average. There was no realistic way of administrating a program that would monitor trip generation at every residence in Canby. If someone felt the rates were incorrect for a particular category, they would get a traffic engineer to look at the issue and if the reports came back that the generation numbers were wrong, they would come back and modify the ordinances. It was all very doable.

Councilor Carlson asked why the rates for a single family home were higher than a multi-family dwelling.

Mr. Williams said on average apartments are smaller than single family houses, have fewer people in them, had less trip generation, and a different types of transportation utilization.

Mayor Thompson opened the public testimony at 8:35 p.m.

Greg Perez said he was not in support of the proposed ordinances. He agreed that the roads in the City system were below the curve of the normal maintenance and upkeep. He thought they were moving too quickly. He said with the fuel costs already out of reach this would not be the opportune time with projections of fuel costs per gallon to possibly rise to $4 by next summer. As for taxing the citizens of Canby for a maintenance fee, it was out of the question. People in Canby were already barraged with bond measures and taxes. When they listed the cities who were using the fuel tax, over 50% he did not see any type of improvement. Would there be improvement with the fuel tax in this area. What the citizens wanted to know was what alternatives there were to the proposals they were presenting. Was the formula they decided on the best possible one that fit for their community. Were a number of formulas presented for all to see and compare for people's input. Was it submitted for people's choice or was the decision already made. This would just be a quick fix once again and the roads would be in a failed condition. Could they tell him what the revenues would be for the City when all the proposed projects were complete in the industrial area by Fred Meyer and could it be used for road maintenance in the future. Had they exhausted all federal, state, and county grants and their mechanisms. He did not think a vast majority of the citizens would support this. To do this might jeopardize any new bond measures for the Court House and Police Department down the road.

Mr. Williams said the industrial park was partly within the Urban Renewal District and partly out. Some of the property taxes would go to Urban Renewal projects and programs, which could generally not be used for routine maintenance, and even if it could be it had to be fairly advanced reconstructive projects and only within the Urban Renewal District.

Mr. Perez asked if they knew they were not going to have revenues from that area to use for other city projects.

Mr. Williams said for the part that was not in the Urban Renewal District, the property taxes could be used in the general fund programs. They did not use property tax revenue for street maintenance. Most cities did not. They relied on State gas tax as most cities did. The distribution of the State was based on population. The industrial park was great for the City for a lot of things, such as jobs, property taxes, urban renewal revenues, but it did not do much for roads.

Mr. Perez asked if once it became general fund money, then could that in turn support road maintenance projects.

Mr. Williams said legally, yes, and it was a policy decision by the Council and Budget Committee as to where the funds were spent.

Mayor Thompson said in an Urban Renewal District, 100% of the collection from the property taxes went right into Urban Renewal. When it returned to the property tax rolls, it became subject to the all of the districts that got their share of the taxes. The City of Canby's share of the property tax revenue generated by those properties, once they went on the property tax roll, would be far less than what it would be able to receive as an Urban Renewal item. This was one of the reasons why the Urban Renewal District was formed. The City had no available cash to create an industrial park, roads, and infrastructure, yet they knew they needed to get business that would enhance the City later on after the Urban Renewal debt was retired. The City was one partner, along with the Fire District, School District, community college, and Clackamas County services, so the money they got in the general fund was far less than it was right now in the Urban Renewal District.

Mr. Perez said this would probably cause problems for future bond measures in Canby. He asked for the Council to be truthful in making their decision, be their own person and be a leader, do not follow. If there were any glitches in this, they needed to start digging and find them before they made any final approval.

Sue Stein said that Stein Oil had operated and done business in Canby for over 40 years. They believed there was a need to upgrade the City's roads. They were in multiple cities in Clackamas County and already experienced seeing what was happening with the implementation of this similar type of taxation in Milwaukie. They already felt the hurt to their own business and other local businesses and residents. It was shattering the businesses because people were not using the goods and services in their own community. People would leave the community to use other places of business. She asked them to strongly look at what happened in Sandy and Eugene when it came to ballot. People wanted to be involved and had the right to vote on it. The best way was for each City to strive for a unified State tax. That was a fairer implementation of the system.

Brian Olson said the motor vehicle tax would hurt his business in three ways: loss of business, additional cost of collections, and additional fuel costs to run their vehicles. As a business in Canby, he wanted to support the community. They felt it was an unfair burden to them as a fuel

station. He appreciated all the time and effort Mr. Williams gave in answering questions. He was disappointed he had not been contacted earlier in the fact-finding and information gathering from the task force. They would like to see this handled in a statewide measure. They also support it going to the voters of the City to decide.

Mayor Thompson asked in regard to a decrease in business, was that a reality or was it just a fear.

Mr. Olson said he talked to Ron Tyree in Eugene and their experience in the first year was a three to five percent loss in business. Whether that was all tax related he was not sure. He was concerned about competitive advantage. He thought they would lose some business, but it was hard to predict how much. They were estimating three percent.

Lee Wiegand said he appreciated all the time they put into being public servants. He had sat through Mr. Williams' presentation and had convinced him that there was a need for more funds. He would be willing to pay $5 per month at his home to drive the roads. His concern was the application towards churches. Historically, the founding fathers were very concerned about separation of church and state. Churches in the United States have been tax exempt. If a tax was implemented that was too extreme it could tax an entity out of business. He believed they had good people in the City making laws. The Council had been chosen to make these decisions and he trusted them to make a wise decision. There was a direction and need across the country for cities to raise revenue. There was a movement across the nation to have churches that have nice facilities pay property taxes. Fortunately, Oregon did not do that. Whether they called this a fee or a tax, in all appearances it seemed like a tax applied to churches. He was respectfully appealing to them. He was willing personally to pay more on his private residence if churches were exempt.

Councilor Carson asked what his average church attendance was.

Mr. Wiegand said the average last month 41 people at the Sunday service. They were a church, preschool, and school and their tax rate would be $100-$200 per month. They had 25 students in their school.

Councilor Carson asked what other uses the church allowed at their facilities during the week.

Mr. Wiegand said they had open gym times during the week and prayer meetings. They were not a large church. The City had the authority to implement a fee such as this and the only place they could appeal that decision was at this level. If they decided their church needed to pay the fee, they could not appeal it because the courts upheld it was legitimate because it was a fee and not a tax.

Councilor Blackwell said non-profits were not exempt from special assessments.

Danelle Romain said she was one of the Co-Executive Directors of the Oregon Petroleum Association. They had been opposing local gas tax efforts around the state for the last couple of years. They were part of a coalition working to pass an increase in the statewide gas tax in 2009. They were proposing an increase up to $.14, which was where Washington was. A local gas tax

posed a huge competitive disadvantage. They knew the City had a funding issue with road maintenance and they wanted to help them. They talked with the City of Portland and they agreed to back off of their local gas tax proposal. Cities passing gas taxes right now really hurt the statewide effort. They wanted to be on their side, but if they decided to go forward with the gas tax they would be collecting signatures to refer it to the local voters. They were doing this in every city and they were working towards getting a lot more money in a short period of time. She hoped they would wait a little longer and it would benefit them in the long run with more money. They would like to talk to all of them and provide them data on how it would affect the Association's membership and what was happening on the statewide level. It was a broad bi-partisan group that was pushing for the statewide gas tax.

Councilor Carson asked if the State were to pass a gas tax, how would they make sure the cities got the increase also, and it did not go to other areas that needed it more.

Ms. Romain said they were one piece of the pie. They were a lobbying group and there were a lot of interest groups involved in this. They were for as much of the money going back to the locals as possible, and they would push it at the legislature. They believed it should be up to $.14 phased in as soon as possible.

Councilor Blackwell said when they had a state gas tax it went in a lot of different directions, so their reasoning for looking at a local tax was the money that was raised in the community stayed in the community.

Ms. Romain said the other side of it was it hurt their local residents because if it was statewide it would be across the board. Everyone was in the same boat and they did not have the competitive problem.

Mayor Thompson asked when this support of the gas tax began because the industry had been outspoken against it.

Ms. Romain said it changed a year ago when they took over as the executive directors. They recognized the need for money to go to transportation.

Councilor Daniels asked how long should they hang on. They kept putting it off and the streets were getting worse and it would cost them more as they prolonged the situation. His concern was why this legislature had not done anything about a gas tax for so many years. The way they were talking about all the bridges and roads that were in need of repair on the State level, it was a question of would they get any more than they did in the past.

Ms. Romain said she did not know why it had not happened in the past. A lot of the issues took getting to the tipping point before they got noticed. She thought they were there now and if they did a survey around Oregon, it was getting a lot of press and even more into the next year. There was a momentum behind it that they had not seen before.

Councilor Helbling said if they had been lobbying for a year, what made her think that in 2009 that the legislature would swing their direction.

Ms. Romain said it was not just their efforts, they were one little piece of it. They had many people coming together on this issue and the governor said it was his number one issue.

Councilor Helbling said it would not be $.14 the first year, it would be incremental increases and inflation would eat away at that $.14. By the time it got to the $.14, it would be eaten away. Their roads were failing at an exponential rate and the cost to repair those roads as they failed rose exponentially, not linearly. That created a significant problem. She was asking them to bet a whole lot of money in their future to not do this now. The State would keep a significant part of that $.14. The association was asking them to bet that the State was going to collect the money and give it to them. Meanwhile, if they did not do something, their roads were deteriorating and the cost to repair that failure went up a lot more. The problem he saw was they had a fiduciary responsibility to the citizens of the community to maintain the infrastructure so it functioned so that the community could function. They had been waiting since 1993 for it to increase. Meanwhile, inflation had been eating away at that $.03 per gallon. Beyond that, construction costs had risen far beyond inflation. They needed to figure out a way to fix their roads and this was what they determined to do. He challenged the elasticity of demand theory for a consumer to purchase fuel. The fuel rates fluctuated and the market would absorb a $.03 gas change, probably without a blink. What he heard this evening was testimony that there was a very in-elastic demand for fuel and he could not understand it for less than 1% of the total price of the product.

Councilor Daniels said there was a chart on the web site that showed what the $.03 per gallon cost the average driver, if they drove 12,000 miles a year, it amounted to $18 a year.

Connie Nolte asked what the gas tax fee revenues would be.

Mr. Williams said the total was estimated to be $178,000 net. They came up with many different ways to estimate the amount of gas sold in Canby. The challenge was that they did not have data available to them as to how much fuel as sold in Canby. They looked at other cities that had fuel taxes and estimated. It was important to say that both the fuel and street maintenance fee revenues were estimates. They had a 5-7% margin of error and were trying to be conservative. The committee felt once they knew how much was actually coming in they would make a recommendation to the Council as to what to do about that.

Ms. Nolte said her biggest complaint was the fee or tax was being crammed down the citizens' throats. She asked that they put it to the vote of the people. They were not trusting of the city officials on many levels. People had not been good stewards of their funds. Once it went to a vote it was a lot more difficult to change. If it was a policy they could get together and add a few more pennies or dollars. Where they had needs in the past, the government had not been good stewards. She also thought a lot of the work that had been done was done with not a lot of knowledge by the citizens.

There was discussion regarding the public process on this issue.

Councilor Blackwell encouraged citizens to come to public meetings to give their input.

Councilor Daniels asked what type of vote, yes or no, or a choice between options.

Ms. Nolte said she would like to see it in a yes or no vote.

Councilor Daniels said they were charged to take care of the infrastructure and he considered streets as part of the infrastructure. They needed to maintain something they had an investment in. If they did not take care of it, it was going to go down.

Ms. Nolte said they were asking them to pay additional money, and she wanted to vote on it.

Greg Perez said it was not promoted well enough to draw the public. If he wanted to get 400 people at the Fine Arts Center he could do that. No one read the public notices. It should have been on the front page of the newspaper, in block letters.

Councilor Helbling said it was on the front page of the Canby Herald last week.

Councilor Daniels said when he was in business they found the most effective way was direct mail. The City had sent a postcard out to 6,000 people and only 69 people showed up. They used many avenues to reach citizens.

Mayor Thompson recessed the public hearing at 9:25 p.m.

Mayor Thompson reconvened the public hearing and closed the public testimony portion at 9:35 p.m.

Councilor Carlson said he thought this was something that should go to the voters. He was confident the voters would make the right decision. If not, then they would have to live with it. They had a fiduciary responsibility to the voters. When it came to directly affecting the pocketbook, it should go to the voters. He encouraged the Council to defer both items to the voters. He also respectfully disagreed with the term fee; it looked more like a tax than a fee. The undertone he heard from people was that they wanted the opportunity to have a say.

Councilor Helbling said he thought it was the Council's responsibility to make the decision. They did have impassioned people who were not in favor of this. He had attended three of the four presentations and there were only a few people who were adamantly opposed. They were elected by the community and represented the entire City. If the citizenry really wanted this to go to a referendum, there would have been a lot more reaction to what was going on. They heard about 10-12 people opposed to having this happen. He had some issues with Ordinance 1262, regarding Article 3.30.020 and the development of an advisory committee. He thought it should be struck from the ordinance. He did not think they should establish another committee. They already had a Budget Committee that put together the City budget. A number of areas in the budget were Public Works. If it was a big task, they should add a couple people to the Budget Committee, but he did not think they should develop a new committee. It took staff time to administrate the committee and they were doing nearly parallel the same thing the Budget Committee was doing. He also had a concern regarding the moratorium on street cutting. Because he worked in the utility industry, if they placed a moratorium on a street, and for a certain time period they disallowed somebody with developable property to develop that property because they could not put in utilities, the value of the property was significantly

diminished. He thought they would be better served by improving the requirement of street repair after a cut. If it was done correctly, they did not have dips in the streets where street cuts were made.

Mr. Williams said he was proposing to toughen the street repair standards.

Councilor Helbling said he wanted to toughen it to the point it either became cost prohibitive to cut into the street or guaranteed that should the street fail over a certain period of time, the developer had to repair it. The teeth had to be put in the ordinance. It would be better if they did that because he did not know if they could place a physical moratorium on someone's ability to develop their property.

Mr. Kelley said it raised issues, possibly a Measure 49 issue. He did not know if they would be affecting the value of that property if they prohibited the development of that property.

Mr. Williams said the issues surrounding it were complicated. If the standard was difficult and tough enough, it might accomplish the same goal.

Councilor Carson said people would go other places to buy gas for a while. It did affect the businesses in the area. Service stations would be taking the brunt of this because they got hit twice with the State tax. That bothered him. If the State did pass a gas tax would they take the City's away. Oregon as a whole for gas tax, including car taxes, paid about $.35 a gallon for a tax. Washington paid $.99 for the same amount, and California paid $1.26. That was why Washington could put in so many roads because they were getting three times as much. He thought it still fell back on the State and that it needed to be fair across the State. If the County decided to pass a road maintenance fee, would theirs go away. He was having a hard time wanting to have everyone in the City pay twice. He was for increasing the residential fees, but he did not want the fees increased to businesses because they were paying enough. He thought everyone should pay the same, but he thought it should be higher.

Councilor Daniels said he felt there was not a need for a Street Maintenance Advisory Committee. They had a Public Works Manager now and he could look at it once a year. He thought it would be difficult to keep up a committee that met only once a year. He was in favor of the fuel tax and maintenance fee. They were elected to take care of the infrastructure of the City. He was not in favor of going out to citizens for a vote because they would vote it down. If they tried to bring the streets up later, they would get further behind. This was the responsibility he was elected to and they needed to take care of the infrastructure they had. The appeal process protected the citizens. The public had an opportunity to give input.

Councilor Oliver said during his five years on the Council there were two main concerns and those were schools and roads. He thought it was their responsibility to make the decision. He did not have confidence in the State increasing the rates. If they did, they always had the right to repeal. They could always repeal the Ordinances. The people that night said they did not like the plan, but in all of this time, he had not heard anyone come up with a different plan or other ideas. The committee decided it was fair after much research and it was the Council's responsibility to make the decision.

Councilor Blackwell asked if they had to rewrite the ordinance if they wanted to make the changes Councilor Helbling suggested.

Mr. Kelley said they probably should.

Councilor Blackwell said there had been a huge amount of information that she thought they needed to take into consideration, and suggested a continuance. She thought the citizens should vote on issues such as these. It was a good plan, but it needed some tweaking. They had an infrastructure issue and they were charged to promote a plan in the best manner they could, to notify people, and to get as much opinion on the matter, which they did. She thought they should consider the changes and opinions of the citizens and decide whether to enact it or send it to a vote.

Mayor Thompson said there was consensus to not send it to the voters.

The Council discussed keeping the current task force as an ad hoc committee.

Councilor Helbling said he was not opposed to an ad hoc committee, but recommended adding two more seats to the budget committee.

Mark Adcock, City Administrator said that, by statute, citizen members could not be added unless more councilors were added.

Mayor Thompson said there was a consensus to remove the advisory committee from Ordinance 1262, remove the moratorium out of Ordinance 1262, and add a higher standard of street conditions.

Councilor Carson asked what the task force had said regarding charging the residential more than $5.

Mr. Williams said they had looked at going higher and addressing more of the backlog. The scenario came from the joint work session between the task force and City Council where they agreed on a scenario to send out to the public for review. That was where they got the $5 and $.03 and what he was directed to get public comment on.

Councilor Carson said his recommendation was to raise the residential, not the business fee.

Mr. Adcock said all of the presentations and public information centered around $5. If they

SEWER SYSTEM REVENUE REFUNDING BONDS. Motion was seconded by Councilor Carson and passed 5-0 with Councilor Carlson abstaining.

Resolution 968 – ****Councilor Helbling moved to adopt Resolution 968, A RESOLUTION ACCEPTING DEDICATION OF LAND FROM JEAN M. ROVER FOR RIGHT-OF-WAY PURPOSES. Motion was seconded by Councilor Blackwell and passed 6-0.**

Ordinance 1262 – Mr. Adcock said the Ordinance would be brought back at the January 2 meeting with changes.

Ordinance 1263 – ****Councilor Carson moved to adopt Ordinance 1263, AN ORDINANCE AUTHORIZING THE MAYOR AND/OR CITY ADMINISTRATOR TO EXECUTE A CONTRACT WITH HENDERSON TURF AND WEAR, INC. OF MILWAUKIE, OREGON FOR THE PURCHASE OF ONE (1) EXCEL HUSTLER 4800 DIESEL MOWER WITH HIGH LIFT KIT FOR THE CANBY PARKS DEPARTMENT; AND DECLARING AN EMERGENCY. Motion was seconded by Councilor Blackwell and passed 6-0 by roll call vote.**

NEW BUSINESS: Discussion Regarding Failure of Measure 3-271 Adopting a Revised Home Rule Charter – ****Councilor Blackwell moved to table the discussion item and bring it back on the January 2, 2008 Agenda. Motion was seconded by Councilor Helbling and passed 6-0.**

Discussion Regarding Construction Excise Tax – Mr. Kelley said he did not have a final proposed Intergovernmental Agreement. He talked with the attorney for the School District and he believed they had ironed out all of their differences. They just had not gotten the new version of the IGA yet. He suggested they table this item until January.

Councilor Helbling said that ODOT was collecting tax at a rate of 4% of the total value of the tax. The City was only allowed to keep 1% by State law.

Mr. Adcock said part of the analysis and recommendation to the Council as to whether they should do this or not, would be a further look at the numbers to see if they could recoup their costs in the 1% rebate. Otherwise, they may modify their recommendation.

Councilor Helbling said they as a City had expenses they incurred to facilitate the success of other entities within the City. He was all for collecting this, even if they did collect it at a loss, because it helped the School District. This was evidence to the citizenry of the community that there were costs associated with being a government and they had to bear those costs and had to make tough decisions on how to bear those costs.

Mr. Kelley said the school district's lawyer had indicated to him that if the City felt it could not afford to recoup the cost for the 1% they were allowed to charge, the school district would make them whole.

****Councilor Blackwell moved to bring the item back on the January 2, 2008 Agenda. Motion was seconded by Councilor Carson and passed 6-0.**

Discussion Regarding Logging Road Bridge Maintenance Plan – Ms. Saul said the bridge was painted. They needed a maintenance plan for the bridge. The cost of the project had turned out to be more expensive, as many construction costs had been in the past year. There had been discussion of the Council looking at whether or not Canby Utility should partner with them on the maintenance of the bridge. She was proposing to have an analysis done and a maintenance plan created because the bridge carried a lot of infrastructure underneath it over to the Industrial Park. It would cost $8,000 to $10,000.

Councilor Daniels asked if there were other repairs.

Ms. Saul said there was nothing immediate, but they were going to have to do more down the road. ODOT had done an analysis and there were some things that needed to be done. This would be a way of prioritizing and having an on-going plan they could budget for.

Councilor Blackwell said the logging bridge was a gateway, walking path, conduit holder for utilities, and it was becoming a landmark. They needed to provide for ongoing maintenance.

****Councilor Blackwell moved that the City approach both Canby Utility and the Canby Urban Renewal Agency to accumulate funding for the maintenance plan analysis and implementation. Motion was seconded by Councilor Daniels and passed 6-0.**

Recertification of Canby Pioneer Industrial Park – ****Councilor Carson moved to authorize the Mayor to sign a letter to the OECDD requesting recertification of certain properties in the Canby Pioneer Industrial Park. Motion was seconded by Councilor Carlson and passed 6-0.**

Discussion Regarding City Administrator's Compensation – Mayor Thompson said they had received some analysis and recommendation from the Human Resources Director regarding the City Administrator's compensation.

****Councilor Helbling moved to give the City Administrator a 2.6% cost of living adjustment and a 5% salary adjustment retroactive to July 1, 2007. Motion was seconded by Councilor Daniels and passed 6-0.**

Councilor Daniels said that in years past they had made opportunities available to provide grants to local organizations. He proposed a grant program be developed that organizations could apply for. Staff could work on the criteria.

There was Council consensus to provide grants.

Mr. Adcock said he would put that component in the budget.

Councilor Carlson said people who were over age 70 ½, had an IRA, and needed to take money out could give that money to a non-profit organization. It satisfied the amount they had to take out for the IRS, they were not taxed on it and they could receive a tax deduction. This was the last year it could be done, as it was a two year rule put in the tax code.

CITY ADMINISTRATOR'S BUSINESS & STAFF REPORTS: None.

CITIZEN INPUT: None.

ACTION REVIEW:

1. Approved the consent agenda.
2. Adopted Resolution 966.
3. Adopted Resolution 967.
4. Adopted Resolution 968.
5. Approved Ordinance 1261 to come up for 2nd reading on January 2, 2008.
6. Staff would make changes to Ordinance 1262 and bring it back for first reading on January 2, 2008.
7. Adopted Ordinance 1263.
8. Tabled the discussion on the Charter revisions to be brought back on January 2, 2008.
9. Tabled the discussion of the Construction Excise Tax to be brought back on January 2, 2008.
10. Approved staff recommendation on the Logging Road maintenance plan.
11. Authorized Mayor to sign a letter to OECDD.
12. Authorized City Administrator compensation increase.
13. Incorporate Councilor Daniels' suggestion on the community grant program as part of the budget process.

There was no Executive Session.

Mayor Thompson adjourned the Regular Meeting at 10:54 p.m.

Kimberly Scheafer

Kimberly Scheafer, CMC
City Recorder Pro Tem

Melody Thompson

Melody Thompson
Mayor

Assisted with preparation of minutes – Susan Wood