

**CANBY CITY COUNCIL
WORKSHOP MINUTES
February 2, 2005**

Presiding: Mayor Melody Thompson

Council Present: Roger Harris, Walt Daniels, Georgia Newton, Wayne Oliver, Teresa Blackwell and Randy Carson.

Staff Present: City Administrator Mark Adcock, Finance & Court Services Director Chaunee Seifried, Finance Operations Manager Laura Dornbusch, Transit & General Services Director Margaret Yochem, Community Development & Planning Director John Williams, and City Recorder Pro Tem Kim Scheafer.

Others Present: John Marina and Ron Berg.

Mayor Thompson called the session to order at 6:30 p.m. A light dinner was served.

The Council met in a workshop session to discuss the auditor's review of fiscal year 03-04 Comprehensive Annual Financial Report (C.A.F.R.). CPA John Marina said that this was a different format than previous years, with new financial statements that looked more like for-profit business statements. He explained the sections of the audit. Canby had been awarded a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association, which was an honor. He explained the financial statements of the audit. The new fund balance for Canby was over 5 million dollars, a 24% increase from last year. They exceeded the budget in capital outlay. Elected officials were responsible personally for expenditures over budget, so it was important to keep them within budget. Ms. Dornbusch said the overage was from the Police Department's lease of two cars because they did not recognize debt proceeds; it was an accounting issue. If it had been put in the supplemental budget, it would not have shown up. There was also a ten year history and statistics which helped put the financial position of the City into context. It also showed the other districts which took tax money.

Councilor Carson asked if the tax rate increased to \$3.76 because of the swimming pool bond, and Mr. Marina said that was correct.

Councilor Daniels asked why Canby Utility was in their financial statements, and Mr. Marina said the Council had a measure of control over the Utility Board, such as with Urban Renewal.

Mr. Berg said the charges for services went under budget, and Mr. Marina said they were not internal transfers but were external. The Fire Department was separate because they were in the Urban Renewal Agency.

Mr. Berg said there was an adjustment in the property tax, because the library tax was included. Mr. Marina said staff had to make an estimate of delinquent taxes and often they collected more than they thought. Mr. Berg thought they were using a higher percentage than they needed to.

Councilor Carson said he did not mind having more money rather than taking it out of contingency funds. Mr. Berg asked about PERS, it could possibly go up to 18.71% and currently they were at 11.56%.

Councilor Newton asked if the City did an inventory of sewer pipes to be included in the assets, and Ms. Seifried said yes they had done it along with the roads and signal lights. Councilor Carson said the drop in net assets was because they did not build as much. Ms. Seifried said it was the depreciation.

Mayor Thompson said in regard to the 24% fund balance, why was that good? Mr. Marina said it was building up their reserves and getting expenditures in line with revenues.

Ms. Seifried explained the opportunities for non property tax revenues, such as franchise fees. They could also look at how fees compared to the cost of services study.

Mr. Marina said the City had some problems in regard to complying with purchasing laws and they had talked about centralizing the process and getting together with purchasing co-ops, such as the League of Oregon Cities and Department of Administrative Services in Salem.

Mayor Thompson adjourned the session at 7:23 p.m.

**CANBY CITY COUNCIL
REGULAR MEETING MINUTES
February 2, 2005**

Presiding: Mayor Melody Thompson

Council Present: Roger Harris, Walt Daniels, Georgia Newton, Wayne Oliver, Teresa Blackwell and Randy Carson

Staff Present: City Administrator Mark Adcock, City Attorney John Kelley, Community Development & Planning Director John Williams, Finance & Court Services Director Chaunee Seifried, Police Chief Ken Pagano, Transit & General Services Director Margaret Yochem, Finance Operations Manager Laura Dornbusch, Office Specialist Sharon Tramel, Office Specialist Suzan Duffy, and City Recorder Pro Tem Kim Scheafer.

Others Present: Kent Larson, Andrea Rohm, Ross Waggoner, Ron Berg, David Howell, James Rennard, Keith Galitz, Andrew Brandt and Curtis & Lila Gottman.

CALL TO ORDER: Mayor Thompson called the regular meeting to order at 7:30 p.m., followed by the opening ceremonies.

Presentation to Council of Certificate of Achievement for Financial Reporting – Finance & Court Services Director Chaunee Seifried said that the City of Canby had been awarded a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers

Association (GFOA). The award was for the City's June 30, 2003 comprehensive annual financial report. Ms. Seifried read the criteria to receive the award and introduced the Finance department.

Presentation to Council on Juvenile Diversion Program – Ms. Andrea Rohm, Juvenile Diversion Counselor, said that they worked with first time juvenile offenders in town on a 90 day program and part of the process was the community accountability panel. They made an individual diversion agreement for each offender and if they did not complete it in 90 days, they would have to go back to the juvenile department. If they did complete it, they would have a clean record. She appreciated the support of the City Council and Police Department.

Councilor Blackwell asked if all of the juvenile offenders came to her. Ms. Rohm said first time offenders did. Mayor Thompson said they were funded by grants through the County, and Ms. Rohm said it came through the police departments. Ms. Rohm also stated she needed more places where the kids could do their community service.

COMMUNICATIONS: City Attorney John Kelley said that he had received an order from the Oregon Land Use Board of Appeals on the Northwood property. They remanded the decision back to the City for further consideration. Northwood would be filing a modified application and the process would start over again.

CITIZEN INPUT & COMMUNITY ANNOUNCEMENTS: Ross Waggoner, Operations Manager of Willamette Broadband, 669 Glad Circle in Woodburn, said they were neither for nor against the franchise agreement with Canby Telephone. He wanted to go on record and state that they were thankful to the City attorney's office for creating a fair and equitable contract. If there were any activities in the right-of-way, he hoped that they would work together with Canby Telephone.

MAYOR'S BUSINESS: None.

COUNCILOR COMMENTS & LIAISON REPORTS: Councilor Harris said that CBRD had their annual goal setting session last Monday. He asked that CBRD make a presentation to Council on their evaluations of downtown projects.

Councilor Daniels said he had attended the Transit Advisory Board Meeting. They had discussed the location of shelters. The advisory board was in need of two more members. There were new bus schedules out as well.

Councilor Newton said that the Urban Renewal Advisory Committee would be meeting regarding the Arndt Road project. They would be coming back to Council with a recommendation.

Councilor Carson said he had attended the Canby Adult Center meeting. They had received four million dollars last year, but that money was not being used for general operating expenses. They still needed the support of the citizens of Canby to keep it operational.

Councilor Carson said the Council had attended an Urban Renewal workshop last week regarding the Arndt Road project. The consensus was that they wanted to proceed with the general concept and that it would help with traffic flow. They still needed to know a little more about the finances.

Mayor Thompson said the Adult Center money was an endowment, and could only be used for certain expenses. Citizens could comment on how it was to be spent.

Councilor Harris said he had found the Urban Renewal workshop very informative. He suggested that they needed to be in a position to set major priorities between the facilities needs and the Arndt Road project in fairness to staff. Mayor Thompson said they would talk more about that under new business.

CONSENT AGENDA: **Councilor Blackwell moved to approve Accounts Payable of \$152,798.43; Minutes of the January 13, 2005 City Council Workshop; Minutes of the January 19, 2005 City Council Workshop, Regular Meeting, and Executive Session; annual liquor license renewals; and a new liquor license application for Blackjack Deli and More. Motion was seconded by Councilor Daniels and passed 6-0.

RESOLUTIONS & ORDINANCES:

Ordinance 1168 – ****Councilor Daniels moved to approve Ordinance 1168, AN ORDINANCE AMENDING THE COMPREHENSIVE PLAN AND CURRENT ZONING DESIGNATION FOR VARIOUS LOTS LOCATED ON THE SOUTH SIDE OF S. TOWNSHIP ROAD IN THE CITY OF CANBY FROM HIGH AND LOW DENSITY RESIDENTIAL TO MEDIUM DENSITY RESIDENTIAL. Motion was seconded by Councilor Newton and passed 6-0 by roll call vote.**

Ordinance 1169 – ****Councilor Carson moved to approve Ordinance 1169, AN ORDINANCE GRANTING A NON-EXCLUSIVE FRANCHISE TO CANBY TELEPHONE ASSOCIATION TO PROVIDE CABLE TELEVISION SERVICE WITHIN THE CITY OF CANBY. Motion was seconded by Councilor Daniels and passed 6-0 by roll call vote.**

Ordinance 1170 – City Attorney Kelley said the last legislative session had passed a major overhaul of the public contracting rules for purchasing items and construction projects. The Attorney General published a Public Contracting Manual. The City had to acknowledge and establish their own Contract Review Board, which in the past had been the City Council, and renew it by March 1. They were adopting the rules of the manual temporarily until they got their own ordinance in place.

Councilor Daniels asked if they would be using most of the rules in the manual when they adopted their own, and Mr. Kelley said yes, they would adapt them to a small city's needs.

Councilor Carson asked what the penalties were if they failed to do the correct procedures, and Mr. Kelley said he did not know, they tried to follow procedure. The changes would bring many benefits to them.

Mayor Thompson said they were thinking about making adjustments in the purchasing program and she asked Mr. Adcock to provide information on the program especially in regard to the auditor's comments.

****Councilor Blackwell moved to approve Ordinance 1170, AN ORDINANCE AMENDING CHAPTER 2.16 OF THE CANBY MUNICIPAL CODE RELATING TO PROCEDURES FOR PUBLIC CONTRACTING, REPEALING CONFLICTING CODE PROVISIONS AND DECLARING AN EMERGENCY to come up for second reading on February 16, 2005. Motion was seconded by Councilor Carson and passed 6-0 on first reading.**

CITY ADMINISTRATOR'S BUSINESS & STAFF REPORTS: Presentation of Future Facilities Study – Transit & General Services Director Margaret Yochem said the Immediate Needs and Future Facilities Needs study had been completed. Mr. Kent Larson from DLR Group gave a presentation on what they had found in their work.

Mr. Larson complimented the citizen-based committee that they had worked with. He did a PowerPoint presentation on the facilities assessment. The Committee recommended needs for the Police Department, City Hall, and Library both immediate and future. There was a need for space and they had deferred action on space needs for many years. The buildings were old and had been retrofitted for use. All the space was being used, and they needed more now. They recommended renting space or building a modular for the Planning, Building, and Urban Renewal departments and moving the Court and City Attorney into that space, and several fixes for the current buildings. They needed to keep up with the population and growth of the City. They also proposed buying property for the Library and Police Department.

Councilor Harris said the Council needed to take some action.

Mayor Thompson said staff put together an action plan to address the immediate needs. They had budgeted and saved money for facilities, which could be used for those proposals.

Councilor Daniels said all of the things in the plan should be done.

****Councilor Daniels moved to approve the action plan as it was written. Councilor Blackwell seconded the motion.**

Councilor Newton said that this money had already been budgeted.

Councilor Harris asked where the money came from, the General Fund? Administrator Adcock said yes, and he explained that when they used capital reserve, they had to bring a formal request to the Council. To implement it, they would be coming back to Council.

Councilor Carson said these repairs needed to be done. They did a similar study in 1999 and nothing was done then. He said that they needed to do something with this now.

Councilor Newton said there was a definite space deficit.

Mayor Thompson said with the leasing option for planning, building, and urban renewal, some of the money was coming from different sources and she explained them.

Councilor Daniels said this was a complete plan that was better than what had been done before and there had been a citizen committee. Mayor Thompson said this was short-term and they had to discuss the future long-term plans.

Motion passed 6-0.

NEW BUSINESS: Priority Setting Discussion - Councilor Harris said he saw two competing large pictures. One was facility expansion, which would be using General Fund and Urban Renewal funds. They could also do a voter approved bond measure or contract with someone and lease it back. Councilor Harris said they were talking about competition for URD funding between future facilities and the Arndt Road Project. He said they needed to set a priority.

Councilor Newton said she did not see them as competing, and thought there was a way they could set stepping stones and divide the money for both projects. They should lay out long-range plans and it might take longer to do.

Mayor Thompson said they were planning for the future, but she had concerns about where they wanted to be for the first big project. They had to wait for the industrial park to develop to get the needed funding, but while they were waiting they could make some generalizations about what kind of first project they wanted to do and any short-term projects that needed to be done.

Councilor Harris said they wanted to use URD financing on the Arndt Road project, but they should probably be looking at property for a new Police Department now. If URD money could be used for that but they were committing money for both, there was a problem and they needed to set priorities now. If they dedicated money for a Police Station, it would be more difficult for funding the Arndt Road project.

Councilor Daniels said they were going to need to set priorities. They could not let things drop and they should keep working on the long-term plans.

Councilor Oliver said he would like to have it all but he realized that money was going to be a problem. He thought they would have the money for the Arndt Road project, and he would like to see the Council do a little brainstorming on where a new Police Station should be.

Councilor Blackwell said the Council needed to get their priorities straight and have a meeting to establish the priorities.

Councilor Carson discussed how they could fund the projects. They could not take it one big step, but had to make a plan on which projects to do when the money came in. If they did not start any of this, they could not ever finish it.

Councilor Newton said they had cash carry over from the Urban Renewal District and they should look at some projects that could be done with that. They also should do the planning.

Mayor Thompson said they needed to frame a response to the County. Councilor Newton thought they should get input from all of the groups and make the decision in March. Then they could have a workshop to prioritize.

Councilor Harris was concerned about committing all of the SDC money. There were ten projects to be done and if they took that money and used it for other things there would be angry citizens who had expected those to be done. Was there a way to juggle the finances in advance so they would not have to take the projects off the table? Mayor Thompson said SDC's were not going to do all the projects on the list. They were fueled by growth and money in the general fund.

Planning Director John Williams said he could present more detail about the SDC and URD project lists for the prioritization discussion.

Councilor Blackwell said they were all moving carefully because they were not sure about the financing and how it would affect the general fund, roads, etc. If they could hash out a plan, that would be good.

The Council wanted meetings on the fourth and fifth Wednesdays of March to receive input from the various groups and to get closure and to prioritize. Staff would create a proposed schedule and calendar for the process.

CITIZEN INPUT: Ron Berg from the Canby Budget Committee reminded Council that a City dollar was worth about four URD dollars because of the leveraging factor. He cautioned Council that they had a 20-year window and had already wasted four years.


ACTION REVIEW:

1. Approving the consent agenda.
2. Approving Ordinance 1168 on second reading.
3. Approving Ordinance 1169 on second reading.
4. Approving Ordinance 1170 to come up for second reading on February 16, 2005.
5. Approving staff to move ahead with the proposed immediate action plan for facilities.
6. Putting together a calendar and process for the priority discussion.

There was no Executive Session.

Mayor Thompson adjourned the regular meeting at 9:35 p.m.


Kimberly Scheafer
City Recorder Pro Tem


Melody Thompson
Mayor

Assisted in Preparation of Minutes – Valerie Kraxberger & Susan Wood