

CANBY CITY COUNCIL  
REGULAR SESSION  
JULY 3, 2002

Mayor Terry Prince presiding. Council members present: Jean Tallman, Walt Daniels, Patrick Johnson, Shirley Strong, and Teresa Blackwell. Councilor Carson was absent.

Also present: City Administrator Mark Adcock, Community Development and Planning Director John Williams, City Attorney John Kelley, Transit Director Margaret Yochem, Police Chief Ken Pagano, Marty Moretty, Jerry Barkman, Marlene Elmore, Sheila Tice, Bob Tice, Melody Thompson, Tim Stuart, JillMarie Wiles, Linda Davis, and David Howell.

Mayor Prince called the regular session to order at 7:31 p.m., followed by the opening ceremonies and a moment of silence for our troops in the field defending freedom.

**CITIZEN INPUT ON NON-AGENDA ITEMS:** None.

**CONSENT AGENDA:**

**\*\*Councilor Strong moved to approve the Minutes of the regular session of June 19, 2002, Committee and Board reappointments, Use of City Parking Lot by Canby High School Dance Team, and Accounts Payable of \$95,203.96. Motion was seconded by Councilor Johnson.**

Councilor Strong asked if the committee reappointments were not including the applications on file and Marty said that was correct.

**\*\*Motion passed 5-0.**

**COMMUNICATIONS:** None.

**NEW BUSINESS:** New Liquor License Application for Canby Parkside Café - City Administrator Mark Adcock referred the Council to Chief Pagano's memo recommending approval to OLCC with the stated restrictions.

**\*\*Councilor Johnson moved to recommend approval with restrictions to Oregon Liquor Control Commission of the liquor license application request for Parkside Café. Motion was seconded by Councilor Blackwell and passed 5-0.**

**UNFINISHED BUSINESS:** None.

**ORDINANCES & RESOLUTIONS:**

Ordinance 1100 -

**\*\*Councilor Johnson moved to adopt Ordinance 1100, AN ORDINANCE AMENDING THE ZONING MAP OF THE CITY OF CANBY, CLACKAMAS COUNTY, OREGON FOR TAX LOT 7700 OF TAX MAP 4-1E-04AB on second reading. Motion was seconded by Councilor Strong and passed by roll call vote 5-0.**

## Ordinance 1101 -

City Administrator Adcock said that this ordinance would authorize the purchase a lot in the Holly Corners subdivision. City Attorney John Kelley reviewed the staff report saying that the Canby Livability Coalition group had approached the Council with their proposal. To finalize the purchase, he has spoken with Joe Driggers and Walt West. The property is held by a corporation called Holly Corners, LLC and the earnest money agreement is included in the Ordinance as Exhibit "A". The purchase price of the lot is \$67,000 and will be closed through an escrow account at which time, the City will pay the price in full and become owners of the property in accordance with ORS 226.320. The original offer to the City was \$70,000 which included a sprinkling system and seeding of the lot to be put in by the developer. After meeting with the City Parks Director both Saul and members of the Livability Coalition, it was decided that the design of the potential park is still fluid and it would be wise not to install an irrigation system at this time since a design for the lot has not yet been decided. So \$3,000 was reduced from the original asking price which in turn, would reduce the amount that the Livability group to \$33,500. However, they decided that they would try to repay the \$35,000 that was in their original proposal to the City, if the City would agree to earmark the \$3,000 savings for development of that specific park at the time of development. The ordinance authorizes the Mayor to execute the earnest money receipt and directs the City Attorney to establish the escrow account to close the transaction.

Tim Stuart with the Coalition added that they had gotten quotes in the area of \$4-5,000 for the irrigation and seeding. Since only \$3,000 had been reduced off of the purchase price, the Coalition would be willing to pay back the \$35,000 to the City under the condition that the \$3,000 would be earmarked for future development of that particular greenspace.

City Attorney Kelley added that once the Canby Livability Coalition was established as a non-profit group, he would create an interagency agreement for the payback of the \$35,000.

**\*\*Councilor Johnson moved to adopt Ordinance 1101, AN ORDINANCE AUTHORIZING THE MAYOR TO EXECUTE A PURCHASE AND SALE AGREEMENT WITH HOLLY CORNERS, LLC., AN OREGON CORPORATION FOR THE PURCHASE OF A LOT WITHIN TERRITORIAL ESTATES SUBDIVISION LOCATED AT N. HOLLY AND TERRITORIAL ROAD FOR PUBLIC PARK PURPOSES, AND DECLARING AN EMERGENCY to come up for second reading on July 17, 2002. Motion was seconded by Councilor Tallman.**

Councilor Johnson applauded those citizens for becoming involved and wanting to learn how city government works. They make Canby a better place.

Councilor Tallman said she had been involved with this when she was on the Planning Commission and this was an example of a situation that could have turned "less friendly". All parties concerned had sat down and talked and interesting changes came out of the discussions, above and beyond just the park. She also encourages this kind of community involvement. The Council needs to know what the community wants, as well as the developers. She also commended the group for their work.

The Mayor added that this group was not just limiting themselves to working on this one project but plans to continue with other projects in the City. He thanked them for their continued dedication.

**\*\*Motion passed 5-0.**

**\*\*Councilor Johnson moved to direct the City Attorney draw up an agreement for the City to enter into with the Canby Livability Coalition for the purchase price and to earmark \$3,000 for future development of the Holly Corners park. Motion was seconded by Councilor Strong and passed 5-0.**

Resolution 803 -

City Administrator stated that currently the City does not have a fee structure for phased and deferred submittals under the building application process nor does it have a fee structure for residential fire sprinklers systems. The City is required to adopt these fees since they have recently been adopted by the Tri-County Building Industry Services Board whose rules and fees the City adheres to under state law.

**\*\*Councilor Daniels moved to adopt Resolution 803, A RESOLUTION ADOPTING CERTAIN FEES FOR THE CITY OF CANBY BUILDING DEPARTMENT. Motion was seconded by Councilor Johnson and passed 5-0.**

Resolution 804 -

Mr. Adcock explained that this resolution had been requested by Mr. Jerry Barkman of HOPE Village and the wording was identical to the one written last year. This resolution of support is part of the application materials to the State of Oregon for additional housing unit funding. Because of time lines, Mr. Barkman had been unable to submit the paperwork in time last year, and was coming to Council with his request so that the paperwork could be completed for the submittal deadline.

**\*\*Councilor Johnson moved to adopt Resolution 804, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CANBY IN SUPPORT OF HOPE VILLAGE LOW INCOME APARTMENT DEVELOPMENT. Motion was seconded by Councilor Strong.**

Councilor Tallman asked Mr. Barkman if this new development would be the same as Cascade House and he responded that it would be.

Jerry Barkman of 1535 S. Ivy said that the new facility would be called "The Meadows" and will be another 50 unit apartment building. They will be looking for federal tax credits as well as interest reduction from the State of Oregon. It will be for seniors 62+ who are slightly higher in income than Cascade House. In Cascade House, the lowest income level is 40% of average median income and in The Meadows it will be 57-58%. The apartments will be slightly larger as will the building. It will be an "L" shaped complimenting Cascade House straight west of it fronting Fir Street creating a quadrangle with a park in the middle.

**\*\*Motion passed 5-0.**

Resolution 805 -

Mr. Adcock said that this resolution placed the Police Department levy of \$1.40/per \$1000 assessed

valuation before the voters for the November 5, 2002 election. Included also are the Notice of Local Option Serial Tax Levy Election and the Explanatory Statement for the Voters Pamphlet.

**\*\*Councilor Tallman moved to adopt Resolution 805, A RESOLUTION OF THE CITY OF CANBY, OREGON, CALLING AN ELECTION TO SUBMIT TO THE VOTERS OF CANBY A FIVE YEAR, LOCAL OPTION LEVY FOR POLICE SERVICES AT THE RATE OF \$1.40 PER \$1000.00 ASSESSED VALUE BEGINNING IN FISCAL YEAR 2003/04. Motion was seconded by Councilor Johnson.**

Councilor Johnson wanted to let the citizens know that this is a levy that is absolutely needed and that the Budget Committee came to that consensus after hearing from the Police Chief that there was nothing that had been put forth in the May levy that could be taken out. Public safety is one of the most important things a city can do and with the budget cuts that have been taken, this levy would bring the police department back where they needed to be to make Canby a safe place. This levy is of paramount importance to the community. Please let the City know what you think about this issue and get out and vote in November.

**\*\*Motion passed 5-0.**

**MANAGERS' REPORT:** City Administrator asked the Council to refer to the amended agenda and after the discussion regarding the Update of the Second Avenue Streetscape Project, Ordinance 1103 had been added as an agenda item for Council consideration.

Update on the Second Avenue Streetscape Project - Community Development and Planning Director John Williams thanked Council for allowing this on the agenda as they are very eager to get this project started and there are some decisions that need to be made this evening. Construction can begin after the second reading of the ordinance possibly as soon as August.

The bids were opened today and the numbers came in higher for a variety of reasons which he and City Engineer Curt McLeod will discuss. The ordinance and the contract are written in such a way that the City can come back with a different plan for the second reading if necessary. The contract allows for modifications in the bid amounts, quantities, and materials used. This was written in to allow flexibility and alterations in the project if need be. He introduced Curt McLeod to explain the scope of the project and the numbers which include both N. Ivy and 2nd Ave. streetscape projects combined. The 2nd Avenue project was moved up by Council direction and to be allowed the use Urban Renewal funding, if necessary, resulting in cost savings overall by combining the projects. The CBR Design Committee is ready to meet next week if any changes need to be made to the project after this discussion.

City Engineer Curt McLeod explained that the contract is set up so that all the items are unit priced or succinct so there is latitude to add or reduce the quantity. The recommendation is to adopt the bid as bid in the full amount and then there is the latitude build in to adjust either at the second reading or at any time down the road of the project. He apologized for the short notice but the goal was to bring it before Council for first and second readings in July and then begin construction as soon as possible afterwards. The project needs to be completed within 100 days and before the weather encroached. Mr. McLeod reviewed the staff report by stating that the project consists of two separate street improvements: 1) North Ivy from 1st Avenue to 4th Avenue and 2) NW 2nd Avenue from Grant to Ivy



and were bid under one contract. 4th Avenue was added to the N. Ivy project when it was determined that there was enough money in the Ivy Street budget and Grant was added to the 2nd Ave. project. The total project bid came in at about \$845,000 and had originally been estimated at \$790,000. Bids 1, 2, & 3 all came in within 5% of each other which indicates a tight, competitive situation.

Regarding the Ivy Street project in particular, the low bid came in at \$246, 624 and there is an available budget of \$265,270. This is a continuation of a multi-year project and has been primarily funded by ODOT Fund Exchange monies. The improvements have already been made from Territorial Road to N. 10th Avenue and now the project is starting at 1st Avenue primarily to accommodate the development that has occurred downtown. After this project, whatever is left up to 10th Avenue will be completed possibly in another five years. The budget is flexible so it can be looked at to save expenses for the 2nd Avenue cost. The entire intersection with the medallion, bump-outs, concrete crosswalks, pavers, and street lights were put onto 2nd Avenue to keep all of Ivy looking consistent.

Regarding the 2nd Avenue Streetscape project, there was a much smaller scope earlier in the year with an estimate of \$360,000. One medallion was in the original estimate and now there are three. The total cost of the project is higher than anticipated however, the prices are very competitive. Five major items caused the cost differences from the original estimates: more brick with an \$80,000 cost impact, more asphalt amounting to an additional \$20,000, more storm drainage of \$40,000 additional, planters which were \$40,000 more than anticipated, and the medallions \$45,000 over original estimates and materials. The detail in the medallions is made up of cut brick so is very labor intensive. All cost more which accounts for the increase in the original bid estimates.

Mayor Prince asked about the different ways discussed to create the medallions. Mr McLeod said three products had been talked about - dyed or stamped concrete, scored concrete that is then acid stained, and then use of pavers. It was concluded that all three were relatively similar in cost but that over time, the brick pavers would by far hold up the best and maintain their colors over the years.

Councilor Johnson concerned that overall how this could be averted the next time? He hopes that the next big project is Sequoia Parkway and wouldn't want the cost estimates to be even slightly over. Mr. McLeod said that this project was viewed as working to achieve a goal and didn't hold cost as being the paramount criteria; the goal was to achieve the Downtown Master Plan. He also added that this construction was very unique and it was difficult to work with comparables and get a lot of competitive bids. Their goal was to aggressively take on as much as they could and to get a bid in a format that could be reduced if needed. There would be no downside in cutting back since all of the prices have been secured in a competitive situation. If and when Sequoia would be built, they would be working with new street construction through a field, coordination with property owners would be minimal, a lot of contractors do this kind of work, and data that supports what the cost of asphalt would be. He doesn't have the concerns that the estimates would be off in a case like Sequoia.

Councilor Daniels asked if it would be possible to leave the medallions out but put the brick circle in and then later, take the asphalt out of the brick rather than destroying the whole intersection? Mr. McLeod thought that it would be relatively simple, or pave the entire intersection and then come back with a circular cut when there is a design to implement.

Mr. McLeod said that when they first looked at modifications, the first goal was to maintain the Downtown Plan. Also, the entire Ivy Street intersection could be moved back to the Ivy Street project

and reduce the 2nd Street plan by \$75,000; each medallion costs about \$17,000. The last block of the Ivy Street project could also be postponed and use the money to pay the intersection costs. Another option would be to delete the entire Grant Street intersection for a savings of \$75,000. So, there could be about \$150,000 in savings that could be reduced by postponing downtown improvements or reallocating those costs to the Ivy Street construction.

Councilor Daniels thought that there would be an advantage to continue the Ivy Street project to 4th since that was a bad intersection. Mr. McLeod said that there was pedestrian access with sidewalks between 3rd and 4th on the east side, but the road was indeed rough. An overlay could be put down for a cost of about \$10-15,000 which would make it much more presentable.

Councilor Johnson said that after a discussion with CBR today, he would like the Design Team to have a chance to review if changes were decided upon since they had invested so much time and effort on the Downtown Plan.

Councilor Strong asked if the planters were on the street or the sidewalk? The 22 additional planters are on the sidewalk. The circles marked on the drawing are the tree wells and all will have a watering system.

Mayor Prince thought that the medallions drew people into the downtown and thought they should be left in. To leave them out would defeat the "look" that the revitalization was trying to achieve.

Mr. McLeod thought that the Downtown Plan was the driving force to implement this plan. He hadn't looked at what to do to modify the plan but rather if it would be necessary to delay any part of construction until there was money available. It has been determined that by the end of the year, there should be about \$500,000 in SDC money to spend on the project. In addition, there is cash from the Urban Renewal District that could be used in an interim basis and repaid by SDC's or allocated directly.

Councilor Johnson wanted this to be the first Urban Renewal project. He wanted it to be built out to its full specifications.

**\*\*Councilor Johnson moved to approved Ordinance 1103, AN ORDINANCE AUTHORIZING THE MAYOR AND CITY RECORDER TO EXECUTE A CONTRACT WITH PARKER-NORTHWEST PAVING COMPANY FOR CONSTRUCTION OF NORTH IVY STREET AND NORTHWEST SECOND AVENUE DOWNTOWN PLAN IMPROVEMENTS, AND DECLARING AN EMERGENCY. Motion was seconded by Councilor Strong.**

Councilor Daniels asked what the cost difference would be to only go to 3rd instead of 4th Avenue. Mr. McLeod thought that it would be somewhere in the \$75-80,000 range.

**\*\*Motion passed 5-0.**

**\*\*Councilor Johnson moved to direct staff to use whatever Urban Renewal funds are necessary to provide gap financing for the Second Avenue project in the most advantageous way for the District and the City. Motion was seconded by Councilor Strong.**

Councilor Tallman asked if the funding should be paid back by SDC funding? Councilor Johnson thought that the money could be paid back or just leave it as it was and spend more of Sequoia Parkway with SDC funding.

Councilor Daniels asked Mr. Adcock what he thought about the payback and Mr. Adcock responded that Councilor Johnson's motion could include "in the most financially advantageous way for the District and the City" and as of yet, he did not know what that would be.

John Williams said that he would give an accounting of the different funds that would be used in time for the second reading.

Councilor Strong reconfirmed that the project would be going to 4th Avenue.

**\*\*Motion passed 5-0.**

Update on Phase II Wastewater Treatment Plant Upgrade Project - Community Development Director John Williams referred to the final engineering report in the packet. He wanted the Council to be aware of the scope of the project as the bidding phase is about to start. The final cost estimate is about \$237,000 higher than the number presented in the past. Although there is money available to do the project, Curt McLeod and Darvin Tramel are on hand to answer any questions to explain the difference in the added costs.

Councilor Tallman asked why the final estimate is higher than the original?

Mayor Prince asked Mr. McLeod if this will affect the amount of funding that is being collected for fees for the sewer plant and Curt McLeod responded that he did not believe that it did. Circumstances have necessitated that they expand some of the things they wanted to accomplish at the plant rather than the work that was identified originally. There have also been some modifications that will improve plant operation. The funding for this project is different because it is a dedicated enterprise fund and the fees charged are based on what it costs to operate and maintain the plant.

There are two basic components of the project - effluent filtration and sludge dewatering. Now, a lime silo and lime feed system is being added and an automatic valve to the primary clarifier. There were also modifications to the effluent filter because of conflict with on-site electrical conduits; mechanical piping and storage changes due to DEQ requirements. DEQ is now requiring that six months worth of sludge needs to be stored rather than three months, necessitating a larger storage building. More work is being tackled and it is being included in this scope of the bid. The plans have been turned into DEQ and the plans will go to bid and as soon as they get DEQ approval.

Councilor Tallman said then it wasn't just the cost of supplies from the original plan, but rather the plan has been changed and added equipment.

League of Oregon Cities Request for Litigation Contribution for Qwest Lawsuit - Mr. Adcock reviewed that Council had approved an initial contribution out of General Fund Contingency of \$2,912 (3% of annual telephone franchise receipts) when this lawsuit was originally going to trial. This letter is asking for a second contribution for a defense fund for the appeal and Canby's amount would be

based on 1% amounting to \$970.79. If Council is in agreement to help defray the costs, the League is requesting this amount.

Mayor Prince felt that it was an inexpensive way to follow through on keeping our franchise fees. The League has stepped up to bat and won the first round, but appeals are always ongoing. Cities should have the right to charge franchise fees and need to contribute to defend that right.

Councilor Strong asked where the money would come out of the budget and Mr. Adcock thought that it again should come from General Fund Contingency. He answered that it had in the \$100,000 range. He wouldn't recommend that it come out of any other operating line item since the budget is already strapped. He added that the City had exceeded the amount of money it was trying to save in this year's budget for cash carry over and as of the period ending May 31, 2002, the number was already at \$140,000 so he feels confident that there might be more than anticipated and it would go into the contingency.

**\*\*Councilor Daniels moved to direct staff to take 1% of the franchise receipts out of the General Fund Contingency for the League of Oregon Cities Round II legal support request for the Qwest lawsuit. Motion was seconded by Councilor Strong.**

Councilor Johnson said that he would be voting "no" because it would be taking the money out of Contingency and staff has worked too hard to build up that fund. He wasn't sure that it was a wise use of that money and if it were that important, they could find other creative ways to come up with the \$900.

**\*\*Motion passed 4-1, with Councilor Johnson voting nay.**

**CITIZEN INPUT:** None.

**COUNCILORS' ISSUES:** Councilor Daniels commented on the arrival of the new buses. Transit Director Margaret Yochem said that the buses would be parked at Wait Park on 3<sup>rd</sup> Avenue between the Andrus House and Dr. Perman's office. Then they will be in the parade and anyone is welcome to ride. She will also be passing out a brochure with a draft of the proposed schedule and would appreciate comments from everyone before the final routes are established. She wants to make the citizens of Canby happy and make it easy to ride the bus.

Councilor Strong inquired about going down Ivy Street since the brochure didn't show it and Margaret said this was merely a proposal and needed feedback.

Councilor Johnson thanked Margaret for her hard work. Margaret said it wouldn't have been possible without all the hard work from John Williams and other staff.

Councilor Blackwell said the fireworks would be at Trost due to the high school being under construction. She invited the community to come out tomorrow for General Canby Day. The committee is an exceptional group of individuals.

Councilor Strong noted that in going down Ivy from work, she noticed that Coldwell Banker had put flags everywhere. She thanked them for dressing up the town. The Mayor added that the Boy Scouts

had assisted by putting the flags up.

Councilor Johnson discussed with CBR about the Wait Park bathrooms. He updated that the Canby High School construction class is committed to demolishing and helping with construction of the new plan; a \$10,000 grant from Canby Telephone has been received to help with the cost; and so far, \$1,600 has been fund-raised from Canby businesses and residents; and CBR has submitted funding requests to Lowe's Home Improvement and the Meyer Memorial Trust as well as a number of local businesses and industries. Accounts have been set up at the local banks - Wells Fargo, West Coast, Columbia River, and Washington Mutual. He thanked the community for their support on this project.

Councilor Johnson said that in action tonight a lot of money was allocated and spent on projects, but he wanted the citizens to understand that a lot of these projects are done with money that is dedicated for specific uses. In other instances, specialized funding mechanisms are used for just "bricks and mortar" projects to build these. Police and Swim operating services come from tax dollars created here in the community and are spent out of the general fund. This Council would be remiss if it didn't point out every time when large amounts of money were spent so that it is clear that some projects come from dedicated funds.

Councilor Daniels said that he was sure that Darvin would welcome citizens the opportunity to take a tour of the treatment plant. They would be surprised at all of the processes before the water goes into the river. Darvin thanked Mr. Daniels.

Mayor Prince announced that the parade would be at 2pm, opening ceremonies in the gazebo at 10am, and the breakfast would be at the Canby Christian Church.

Councilor Strong asked about the proposal for taping the Council and Planning Commission meetings and Mr. Adcock said that since he had just handed that out tonight, he would be discussing it with them later individually.

Councilor Daniels mentioned that everyone should look in last Saturday's *Canby Herald* for the parade route and Teresa Blackwell said that there would also be placards at various corners announcing the expanded route.

#### **ACTION REVIEW:**

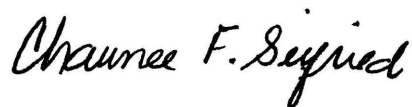
1. Approving the consent agenda.
2. Approving Res. 803.
3. Approving Res. 804.
4. Approving Res. 805.
5. Approving Ord. 1100 on final reading.
6. Approving Ord. 1101 for second reading on July 17, 2002.
7. Approving Ord. 1003 for second reading on July 17, 2002.
8. Approving the payment of \$970.79 to the League of Oregon Cities for the Qwest appeal.
9. Approving the recommendation to OLCC for the Parkside Café liquor license.
10. Directing the City Attorney to prepare an agreement with the Canby Livability Coalition regarding the financial transaction between them and the City of Canby.



Mayor Prince told people that when they were around town tomorrow and saw a Canby officer, to say "thank you". He considers them our homeland security and it's nice to get feedback.

There was no Executive Session.

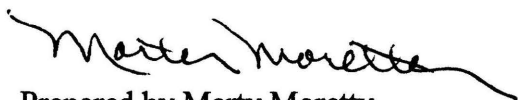
Mayor Prince adjourned the regular Council meeting at 8:52 p.m.



Chaunee F. Seifried  
City Recorder pro tem



Terry L Prince  
Mayor



Prepared by Marty Moretti  
Office Specialist