

CANBY CITY COUNCIL
REGULAR SESSION
JULY 7, 1999

Mayor Scott Taylor presiding. Council members present Barry Lucas, Randy Carson, Roger Harris, Walt Daniels, Shirley Strong, and Terry Prince.

Also present: City Administrator Mark Adcock, Recreation Services Director Beth Saul, City Attorney John Kelley, Police Chief Jerry Giger, City Treasurer/Recorder Chaunee Seifried, Community Development Director Jerry Pineau, Ray Bartlett, Harry Lee Kwai, Carol Meeuwsen, Patrick Johnson, Sharon Tramel, Fred and Bettie Postlewait, Jeff and Gale Hipp, Kathy Henderson, Frank Cutsforth, and Curtis and Lila Gottman.

Mayor Taylor called the session to order at 7:32 p.m., followed by the opening ceremonies.

CITIZEN INPUT ON NON-AGENDA ITEMS: None

Councilor Daniels wanted to let the Council members know he approved the bills on the last day of the month so they could close the books for the end of the fiscal year.

CONSENT AGENDA: **Councilor Daniels moved to adopt the consent agenda: minutes of the regular meeting and executive session, June 16, 1999; pre-approved accounts payable; library board appointments; traffic safety and bike and pedestrian committee appointments. Motion seconded by Councilor Strong, and passed 6-0.

Mayor Taylor introduced Mark Adcock, the new City Administrator to the audience.

NEW BUSINESS:

Urban Renewal Feasibility Report - Carol Meeuwsen, the chairperson of the Urban Renewal Task Force, and Harry Lee Kwai, a member of the task force, were introduced to the Council.

Jerry Pineau explained the Urban Renewal Feasibility Report basically outlined the way the urban renewal plan would be working, the projects they had, how they anticipated the funding, and some of the policies that would need to be decided upon by the City Council. He said the Urban Renewal District was a process in which the community would come together and collect tax dollars and not raise the tax rate. He explained this one was an economic development model with strong amenities. The area it covered was basically the economic improvement district which was the commercial area on both sides of 99E and Phase II of the industrial area. The industrial area was defined under a master plan which they would like to develop and also get the benefits from it. The commercial area would give them an opportunity to identify things that they would like to see happen that would keep the commercial area viable.

Jerry Pineau explained downtown was lovely, but there were a lot of things that could be done to keep people in the city and invite people from outside to come in and join the community. There were various types of landscaping, street and parking improvements that could be done, including a portion called economic improvement which would be an opportunity for the district to be able to help the businesses set up a loan program.

Also included in the report were action plans which would make a determination of what they wanted to be and how they wanted to do it, and those were the objectives they were trying to reach. The law stated there would be a basic assessed valuation at the first of the year, and after that time any increase that happened would have to get advanced bond funding which would be a general obligation but would generate the revenues so the projects could be done. The process was annual, once it was adopted it would go through an annual budget process which would be composed of two parts, an operating budget and a capital budget.

Jerry Pineau said the recommendation from the task force and the consultant, Charlie Kupper, was that it be feasible, it made sense, and the task force wanted the okay from the City Council to move forward with it.

Councilor Daniels asked if the list in their packet was prioritized. Mr. Pineau said no, it was not. He said the priorities should go through the Council in a hearing process and then make the determination of what the priorities would be.

Councilor Daniels said once the assessed valuation was established, the increase would be available for projects, then would go out for bonds that would cover a certain amount for the projects.

Jerry Pineau said you would probably end up working with some type of financial institute which would take a look at the district, what the predictions were going to be, what the growth would be, and what the tax increment was going to be. Based on that, they would be willing to go through a bond process.

Mayor Taylor asked when the next steps would occur. Jerry Pineau said based on past information, the Council would give them the okay to go ahead and would probably have the basic preliminary plan report done in about two weeks. He said they could bring it back to the Council approximately in September but no later than November.

****Councilor Daniels moved to accept the Urban Renewal Feasibility Report and approve with proceeding with the urban renewal process. Motion seconded by Councilor Carson, and passed 6-0.**

Proposed North Redwood Storm Drainage SDC Overlay - Jerry Pineau explained the North Redwood storm drainage project started last year and only a portion of it had been done. They originally started on the basis of being an advanced financing district but as they went through the process, there was a determination by the Council that they wanted to look at an alternate way of financing, possibly an SDC overlay. The direction was to have Staff work on it and bring back more information. He said they had put out a notice stating the report would be available for review on July 15 and then there would be a public hearing on August 18.

Ray Bartlett, who was the consultant, stated this SDC was applying a State law that allowed you to charge new development for the cost of making capital improvements to the storm water facilities. Normally it was set up to handle a city wide system, but there was nothing that would prohibit you from applying to a smaller area in the city.

Mr. Bartlett said the piping designed for the North Redwood area collected the storm water in that region and dumped it into a creek in the same region was not connected to the rest of the city system. In order for private development to occur on the property, the City went ahead and installed some of the facilities. Approximately half a million dollars of storm water pipe needed to be laid to handle the problems. About \$400,000 had been put in by the City by effectively using cash that was in the sanitary sewer and storm water fund to pay for it. Roughly the other \$157,000 of improvements were still needed to build the public portion of the storm water system. He understood the two pieces were divided because the City only had so much money to build part of the system and that would take care of the immediate problem. He stated it was the City Council's position that the remaining part of the line was probably going to be built by the property owners that would directly be using the line when they decide to build the project.

Mr. Bartlett explained how the SDC methodology worked. The SDC charge had two components. One would be a reimbursement fee which was a charge for capital improvements that had been put in the ground that had excess capacity to serve future developments. The improvement fee was the part of the project that had not been built yet but would ultimately have to be built in order to handle the storm water that was in the system. State law required you to give credits to the developers that made the improvement. The end result was that you were going to have a two-part system development charge. One would be based on capital that you already put in the ground, the revenue you collected on that portion of the reimbursement fee would be used to repay the sanitary sewer and storm water fund. The improvement fee portion would be used to construct the additional line that developers did not put in and to reimburse the developers that put in the line.

Ray Bartlett explained with the advanced financing district, no matter where a person was, they would be paying the same fee. He explained with the SDC's there were two ways of apportioning it out to the property owners. One would be to do it on the square footage of land or to do it on the impervious surface that was built. He explained with both SDC's and the advanced financing district, both would charge the same, both would be triggered when the building permit was issued. He said in both cases, the City would have to pay for part of the

improvements that were made. The AFD was based on City statutes and had very few State controls, and the SDC's were based on State statutes. He said there were limitations on the SDC's on how you can use the money. On SDC's you had to distinguish between capital that was already in the ground and the capital that had to be put in the ground.

Ray Bartlett said in both the AFD and the SDC's, they would need to make decisions about what rate of interest would be needed to apply to the capital annually.

Councilor Lucas asked if both ways of financing had an ending date. Mr. Bartlett said in the SDC law it stated the credit that was owing to the developer had a time limit of ten years. On the AFD you set the rules on the time limit.

Mr. Bartlett said the SDC would be adjusted annually for inflation. He was not sure how they would adjust it on the AFD.

John Kelley said the ordinance stated that you would establish an interest rate at the time you established the AFD and the interest rate would apply throughout the life of the district, unless you were to set a different interest rate. The interest rate was presumed to be the interest you paid on the money to finance the improvements. You would have the authority and the ability to set a different or lower interest rate should they chose to do that, but once you set the interest rate, unless a particular property owner came to the City with an application, under the ordinance they would have the ability to look at that particular applicants' property or situation and say they agreed there was a hardship there and would reduce the interest rate.

Councilor Lucas asked if the way the property owners were charged change with the AFD over the SDC. Ray Bartlett said on the average it work out to be the same for the average size house.

Jerry Pineau said the real time crunch would be with the SDC. With the AFD you could have the hearing and go forward with it.

Councilor Harris said all of the area was priority A. He said if he was a property owner and wanted to farm the property and he was never going to develop, the infrastructure would be there, interest would be accruing or it would be an SDC ready to pay, but as long as he farmed the property and did not develop it, he would not have to pay it. Ray Bartlett said yes, it would be that way in both cases.

Councilor Prince asked how would they be setting precedence in going with the SDC. Ray Bartlett explained if someone had a similar situation, and someone came in to petition to create another SDC overlay, which would mean they would need to set up another fund, you would have another pocket of money you would need to keep track of, and have to count where it is spent separate from all other funds. He explained in the long run, it would be increasingly difficult to manage.

Mayor Taylor asked what the additional costs of the SDC would be in the long run. Ray Bartlett said the auditors would audit it annually, they could be challenged on how they spent the money annually, they would have to maintain the records for the district until everything was paid off and done, they would not be able to take the money out of one pocket and spend it in on some other capital improvement.

Councilor Lucas said he was willing to commit to the AFD and wanted a straw poll of the Council and not have them go through the extra work on working with SDC's if that is not where they were going.

Councilor Carson said he did not have a problem with the AFD the last time around, but he felt they needed to hear the other side of it. Councilor Prince said the precedence setting and throwing districts of SDC's everywhere worried him. The other Councilor's agreed to go with the AFD.

Mayor Taylor said they had tabled an AFD hearing, so they would need to let the people know where they were going, when the next hearing would be, and get back on track with those discussions that never really took place due to plans being worked up by attorney's.

Mayor Taylor took a poll of the audience to see what everybody was there for.

Mayor Taylor moved to the Pioneer Plaza discussion under Ordinances & Resolutions.

Ordinance No. 1025 -

Jerry Pineau said the determination was to have the City Council make a commitment of providing \$30,000 so they could proceed with the project and also bring the attention to the Council that they could authorize the expenditure of \$30,000 from the City Council contingency line item fund.

Mayor Taylor asked the Council if they changed their view from the last meeting.

Councilor Harris asked how much money was in the contingency line item. Mr. Pineau answered \$200,000. Councilor Harris asked why there was \$200,000 sitting in the contingency fund. Mr. Pineau said during the process there was conversation about that would be the place for funds that were used for potential salary increases and Y2K emergency related items. Councilor Harris said if they chose to use \$30,000 out of that fund, would that jeopardize whatever they choose to do regarding salary negotiations. Mr. Pineau said if they did not use the money that was set aside for Y2K, then that would be where the money would come from.

Mayor Taylor said he had a different memory of where the money came from. He said they had discussions on a capital construction fund and thought about having a contingency fund for unexpected expenses.

****Councilor Harris moved to adopt Ordinance 1025, AN ORDINANCE AUTHORIZING THE MAYOR AND CITY RECORDER TO EXECUTE A CONTRACT WITH D & D CONCRETE AND UTILITIES, INC. FOR CONSTRUCTION OF PIONEER PLAZA IMPROVEMENT PROJECT; AND DECLARING AN EMERGENCY. Motion seconded by Councilor Strong.**

Councilor Harris wanted to modify the motion he just made to include an additional expenditure of \$30,000 from the contingency line item. Motion seconded by Councilor Strong.

Mayor Taylor said he had a procedural question for John Kelley. He said they were having the second reading of this ordinance. The additional \$30,000 was not part of the original reading. John Kelley said the ordinance authorized the entire amount. Jerry Pineau explained what they should do is adopt the ordinance and make a separate motion to spend the \$30,000 out of the contingency fund.

Jerry Pineau said the \$144,853 was what they were asking to reward the bid. They reached out to get an additional \$30,000 to make a budget. He said when they had the contingency fund, they were saying they were authorizing the expenditure.

Harry Lee Kwai asked Mr. Pineau if the lack of \$30,000 would stop the construction or could the \$30,000 come within a time frame to pay the bill. Mr. Pineau said in order to accurately answer the question, he needed to go back and see exactly how much money was in the fund.

Councilor Daniels asked if the lights were included in the \$144,000. Mr. Pineau said no, they were not.

The motion to adopt Ordinance 1025 passed by roll call vote, 6-0.

Jerry Pineau said the project would start on July 14 and be completed September 12.

Harry Lee Kwai said he wanted to say thank you to the Council for supporting the urban renewal process. He particularly wanted to thank Jerry Pineau for his leadership, and also Randy Carson, the liaison for the committee.

Mayor Taylor recessed the regular session at 9:00 p.m.

Mayor Taylor reconvened the regular session at 9:12 p.m.

Discussion Regarding Upcoming Status Report on Industrial Park Development Phase II and III - City Administrator, Mark Adcock, stated he had a meeting with Craig Lewelling and a group of citizens that were representing the IAA. The purpose of the meeting was to bring him up to speed with the background associated with the development of the master plan for the industrial

area and to provide him with some history on how they evolved and so forth. One of the things they requested was to be able to come back to the City Council in a workshop setting. He felt it was in the Council's best interest as well as his that prior to having that workshop they should schedule a staff briefing for the City Council to bring them up to speed on things that had transpired in the industrial park development subsequent to the last meeting they had.

The Council decided to hold the workshop at 6:45 p.m., July 21 before the Council meeting.

ORDINANCES & RESOLUTIONS:

Ordinance No. 1023 -

****Councilor Harris moved to adopt Ordinance 1023, AN ORDINANCE REPEALING ORDINANCE NO. 1021 AUTHORIZING THE MAYOR AND CITY RECORDER TO EXECUTE A CONTRACT WITH STEEL STORAGE SYSTEMS, INC. FOR CONSTRUCTION OF A STREET SWEEPING DEBRIS STRUCTURE; AND DECLARING AN EMERGENCY be posted and come up for final reading on July 21, 1999. Motion seconded by Councilor Strong, and passed 6-0.**

Ordinance No. 1024 -

****Councilor Daniels moved to adopt Ordinance 1024, AN ORDINANCE AUTHORIZING THE MAYOR AND CITY RECORDER TO EXECUTE A CONTRACT WITH PARKER-NORTHWEST PAVING COMPANY FOR CONSTRUCTION OF NORTH IVY STREET IMPROVEMENT PROJECTS; AND DECLARING AN EMERGENCY.**

Councilor Prince asked Mr. Pineau if they were going to be putting in sidewalks as well. Mr. Pineau said yes there will be sidewalks. Councilor Prince said a lot of people were not notified by the City of work that was going to be done on Ivy Street. Mr. Pineau said they were either going to be mailing out notices or be putting door tags out explaining what the projects were going to be coming and if the project was going to be in an easement and flowers or grass might have to be moved, then they would personally knock on their door and discuss it with them.

Motion to adopt Ordinance 1024 passed by roll call vote, 6-0.

Ordinance No. 1026 -

****Councilor Harris moved to adopt Ordinance 1026, AN ORDINANCE DECLARING THE CITY'S ELECTION TO RECEIVE STATE REVENUE FOR 1999-2000 FISCAL YEAR. Motion seconded by Councilor Prince, and passed by roll call vote, 6-0.**

Ordinance No. 1028 -

****Councilor Daniels moved to adopt Ordinance 1028, AN ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR TO FORMALLY ACCEPT THE WRITTEN QUOTE FROM ERNST HARDWARE CO. FOR A JOHN DEERE 5510 TRACTOR WITH A 541SL LOADER FOR THE WASTEWATER TREATMENT PLANT; AND DECLARING AN EMERGENCY be posted and come up for final reading on July 21, 1999. Motion seconded by Councilor Harris, and passed 6-0.**

Ordinance No. 1029 -

City Treasurer, Chaunee Seifried, explained she had checked into quite a few programs, some were very expensive. She explained she went on site to make sure they worked the same as the demos.

Councilor Daniels asked if the support fee was an annual fee. Ms. Seifried explained the upgrades were included but the support fee would be paid each year.

Chaunee Seifried said now they were paying \$1,300 a year for support services, with the new contract it would be \$555 per month.

****Councilor Prince moved to adopt Ordinance 1029, AN ORDINANCE AUTHORIZING THE MAYOR AND CITY RECORDER TO EXECUTE A CONTRACT WITH CASELLE, INC. FOR FINANCE COMPUTER SOFTWARE AND SUPPORT SERVICES; AND DECLARING AN EMERGENCY be posted and come up for final reading on July 21, 1999.**

Councilor Strong asked if this money was budgeted for. Chaunee Seifried said yes it was.

Councilor Harris asked if the training was on site or would they come here. Ms. Seifried explained there would be three people that would be trained in Utah.

Councilor Daniels asked how long it would take to go to the new system. Ms. Seifried said they guaranteed before the end of the year.

Motion to adopt Ordinance 1029 passed 6-0.

Mr. Adcock commended Chaunee on the time she spent researching the information that was needed.

Resolution No. 710 -

Jerry Pineau explained this resolution was requesting Clackamas County to surrender jurisdiction over a certain portion of SE First Avenue within the city limits of Canby. He said the road was at the intersection of Hwy. 99E going east, and at the intersection straight across was North Redwood. The recommendation was to go ahead and obtain jurisdiction over that so they would have control over it.

****Councilor Harris moved to adopt Resolution 710, A RESOLUTION REQUESTING CLACKAMAS COUNTY TO SURRENDER JURISDICTION OVER A CERTAIN PORTION OF SOUTH EAST FIRST AVENUE WITHIN THE CITY LIMITS.**

Councilor Harris said in the synopsis it was noted as NE 1st, but in the resolution it stated SE 1st.

Motion to adopt Resolution 710 passed 6-0 .

UNFINISHED BUSINESS:

Findings, Conclusion & Final Order, ANN 98-07 (Riverside Homes) -

****Councilor Harris moved to accept the findings, conclusion, and final order of ANN 98-07 (Riverside Homes). Motion seconded by Councilor Strong, and passed 6-0.**

MANAGER'S REPORT:

Mr. Adcock reminded the Council July 19 was going to be the joint meeting with the Council, School Board, Blue Heron Recreation District and we will be putting together a draft agenda and will be contacting those entities to see what items they would like to put on the agenda. Also, Jerry Giger was completing the development of an informational session for the community with regard to Y2K. The date was still to be determined. There were going to be upcoming workshops that the Community Development Director was preparing information for and the schedules were yet to be determined. One was the Willow Creek drainage project and the other was bicycle laws in the transportation system plan.

Beth Saul said she received a copy of a letter which was sent to the State Park Director, Robert Meinen. He responded back with a letter saying they were developing administrative rules and so forth to take the money from Measure 66 and hopefully be able to allocate it on a grant type basis. She stated they would be accepting grants in the year 2000. She spoke with Sam Hodder from the Trust for Public Lands, and that time line did not work well for their option on the land.

Mayor Taylor felt it was important to have a sense of what the total cost would be then they could seriously discuss what their cost of partnership would be.

Mayor Taylor explained he was holding off on some workshops. He asked the Council if they were willing to have another workshop in July or August regarding bike paths throughout the community, and also a briefing on the IAA before the next Council meeting.

Mayor Taylor asked if August 4 at 6:00 p.m. would work to discuss the bicycle paths. He explained they would bring themselves up to speed on the bicycle paths.

Mark Adcock reminded the Council of the meeting on July 12 at 6:30 p.m., in the Library. It was going to be about trying to refine the performance measurements in the Police Department, Parks, and Administration.

He commended the Staff and everybody involved in how the park was prepared for General Canby Days, and he also heard positive feedback on the new playground equipment.

COUNCILORS' ISSUES:

Councilor Daniels explained on July 11, they were starting the Slice of Summer concerts which would be starting at 6:00 p.m. at Wait Park.

Councilor Lucas let the Council know he had been meeting with Bob Traverso and his partner, Mr. Parker. They were willing to donate 104 acres of property to the Blue Heron Recreation District to kick start the recreation district. He noted it was three miles of Logging Road which ran from 13th Street to Macksburg Road and included three parcels along the way. The reason he was bringing it the Council was because he wanted them to be prepared that the donation of land was going from public property to private use in case the Blue Heron was not able, (because they were not yet funded), to take the property due to liability issues, and maybe the City could take it on as a joint venture with the Blue Heron Recreation District.

Councilor Prince asked if this was outside of the UGB. Councilor Lucas said no it was not.

Councilor Lucas also noted the property on Knights Bridge Road where everyone went swimming was offered to the City at one time, and the offer still stood.

Councilor Harris asked who owned the property. Councilor Lucas answered the County owned it.

Mayor Taylor said what Councilor Lucas was looking for from the Council was they had the opportunity of taking a very generous donation that would go to the Blue Heron district, but since the Blue Heron district did not have a taxing base, they would not be able to provide liability insurance, etc. He said as liaison for the Park and Rec Board, he wanted to be able to go back to those groups and say the City Council was excited about acquiring the land for public use.

Councilor Lucas had support of the Council.

Mayor Taylor took a poll from the Council to see how many would be in favor of Councilor Lucas exploring the Knights Bridge piece of property.

Councilor Prince wanted Staff to see if it would require an urban growth expansion.

Councilor Prince announced it was the 10th year of the Sister City Delegation and they were hoping to have a representative from the City go to Kurisawa this year. He said apparently the Mayor had a conflict in scheduling so Walt was nominated, and if he could not go Councilor Prince volunteered.

Mayor Taylor said the cost would be in the vicinity of \$1200 for airfare. He said it would be a 7-9 day stay on August 18-24 or 25?

Mayor Taylor asked if the Council was interested in supporting a representative of the Council in going. The Council was in support.

Councilor Harris wanted to compliment those responsible for the playground equipment.

Councilor Harris explained Canby was named after General Canby who was killed in peace negotiations with the Indians. He felt we should have a statue in one of the city's parks or in front of City Hall.

Councilor Daniels felt that the General Canby Day committee be acknowledged. He felt they did a great job.

Mayor Taylor wanted the chair and sub chairs of the General Canby Day committee to come to the next Council meeting.

Councilor Strong asked to have the packets delivered on Wednesdays.

ACTION REVIEW:

1. Approved Library, Traffic Safety, and Bike & Ped Committee Appointments.
2. Council accepted the Urban Renewal Feasibility Report and directed staff to move forward.
3. Proposed North Redwood Storm Drainage SDC Overlay, Council came to consensus to move to the AFD process and schedule the required hearing.
4. Scheduled July 21 at 6:45 p.m. for the status report on the industrial park development.
5. Implementing Ordinances 1023, 1024, 1025, 1026, 1028, and 1029.

6. Notification procedure on subsequent projects in the right of way.
7. Implementing Resolution 710.
8. Accepted the findings, conclusion, and final order of ANN 98-07.
9. Look into the liability issues of the donation of land to the Blue Heron District and will address the issues that are related to the UGB.
10. Check the costs of the Sister City visitation.
11. Follow up on what it would involve in having a statue put in a city park or in front of City Hall.
12. Invite the chairs and sub chairs of the General Canby Day committee to attend the next City Council meeting.
13. Will be delivering packets on Wednesdays.

****Councilor Daniels moved to go into Executive Session under ORS 192.660 1(d) labor negotiations. Motion seconded by Councilor Prince, and passed 6-0.**

Mayor Taylor recessed the regular session at 10:23 p.m.

Mayor Taylor reconvened the regular session and immediately adjourned the session at 11:35 p.m.

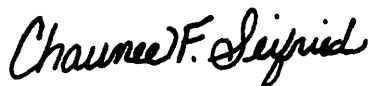
EXECUTIVE SESSION
JULY 7, 1999

PRESENT: Mayor Scott Taylor, Councilors Prince, Harris, Lucas, Daniels, Strong, and Carson, City Administrator Mark Adcock, City Attorney John Kelley, and Mike Swanson.

Mayor Taylor called the session to order at 10:25 p.m.

ORS 192.660 1(d) - The Council met with Mike Swanson who gave an update on the ongoing labor negotiations. The Council also decided to give the Community Development Director Jerry Pineau, Police Chief Jerry Giger, and also the City Treasurer/Recorder Pro Tem Chaunee Seifried an additional \$500 for the extra duties they performed during the interim period

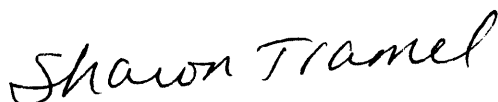
Mayor Taylor adjourned the session at 11:35 p.m.



Chaunee Seifried,
City Recorder pro tem



Scott Taylor,
Mayor



Prepared by Sharon Tramel,
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