

CANBY CITY COUNCIL
REGULAR SESSION
SEPTEMBER 3, 1997

WORKSHOP SESSION

PRESENT: Mayor Taylor, Councilors Nolder, Lucas, Daniels, Harris and Strong, Mr. Jordan, Ms. Chaplen, Mr. & Mrs. Curtis Gottman and Jason Bristol.

Mayor Taylor called the session to order at 6:08 p.m. in the CUB Conference Room.

The purpose of the session was to review a film regarding bicycle/pedestrian safety and discuss any bicycle/pedestrian issues.

Mayor Taylor adjourned the workshop session at 7:24 p.m.

REGULAR SESSION

Mayor Scott Taylor presiding. Council members present: Dennis Nolder, Brad Gerber, Roger Harris, Walt Daniels, Shirley Strong and Barry Lucas.

Also present: Administrator Michael Jordan, City Attorney John Kelley, Finance & Administrative Director Sarah Jo Chaplen, Associate Planner Jason Kruckeberg, Police Chief Jerry Giger, Sewer Plant Supervisor Steve Hanson, Christine Harvey, Ted & Kay Coats, Larry Hudson, Brooke Cates, Delbert Hemphill, Larry & Arlene Landis, Rick Maier, John Falkenstein, Curtis & Lila Gottman, Jason Bristol, Ray Bartlett and Carol Samuels.

Mayor Taylor called the session to order at 7:30 p.m., followed by the flag salute and a moment of focus.

Roll call of the Council showed a quorum to be present.

MINUTES OF PREVIOUS SESSION: None distributed.

(NOTE: The tape, from which this author is transcribing the minutes, does not begin

until midway into the presentation by Mr. Coats.)

CITIZEN INPUT ON NON-AGENDA ITEMS: Mr. Ted Coats addressed the Council regarding his offer to organize and promote a fund raiser at the fairgrounds with generated revenue being shared among community supporters. Mr. Coats said the fund raiser would be called "Home Industries." He added that there is a \$3.00 advance ticket sale to the show, and \$2.00 goes back to the nonprofit community organizations.

Mayor Taylor said the City would contact the various civic organizations to inquire if they were interested in the proposal.

COMMUNICATIONS: Canby Herald Annual Chili Cook Off - Mr. Jordan noted that the Canby Herald submitted a request to hold their annual Chili Cook Off fundraiser on September 20th in the parking lot between Grant and Elm.

****Councilman Harris moved to approve the request for the Chili Cook Off on September 20, 1997 in the parking lot between Elm and Grant, and to coordinate the event with Police and Public Works Departments. Motion seconded by Councilman Lucas and approved 6-0.**

Canby Community Annual Report - John Falkenstein, Director of the Community School, briefly reviewed the Community School program and plans for the future.

Mr. Falkenstein reported over 3,000 participants in various programs. He added that many of the summer recreational activities are available through the funding provided by the City of Canby.

Mr. Falkenstein reviewed some of the special events that were for youth, offering "positive options" for kids.

The Slice of Summer programs at Wait Park have an estimated 4,000 participants for the series of five performances.

After school and summer child care programs are offered through the Community School, funded through the participation fees.

Mr. Falkenstein noted that the pre-school program will continue at Lee School and over 5,000 volunteer hours were committed to this program. Many parents are actively involved in this program.

Twenty-three various locations and facilities are used for the Community School programs.

Mr. Falkenstein said he felt the programs enhance the lives of the community and noted that all ages and interest groups are served. He thanked the City for being a part of the Community School.

Councilman Harris asked about the sponsorship of the Slice of Summer Program, specifically for the future. Mr. Falkenstein said that seeking support from the business community the last two years has been successful and it should continue to work fine in the future, unless the economy takes a downturn. He added that even though the City has not provided cash, the park facility has been provided as well as some staff.

Mayor Taylor said a comparison to previous years would be valuable information for future review. Mr. Falkenstein said the last few years have been stable, even with the fact that fees have been raised.

Councilwoman Strong asked how many actual families are participating without duplication. Mr. Falkenstein said those figures were not generated at this time. He estimated that out of 3100 participants in classes and workshops, approximately 2200-2300 are different people.

NEW BUSINESS: Accounts Payable - **Councilman Harris moved to authorize payment of accounts payable in the amount of \$78,357.18. Motion seconded by Councilwoman Strong and approved by roll call vote, 6-0.

Trost Track & Trail Proposal - Mr. Jordan reported, in the absence of Beth Saul, that the School Board is in favor of this proposal, as is the Park and Recreation Advisory Board.

Mayor Taylor said he was interested in the in-kind services provided by the City and School District.

Doug Gingerich, principal of Trost Elementary, reported that a track was not in the construction plans for the school. A fitness group has evolved among students, staff and parents, resulting in the need of the proposed track. No funds have been budgeted for such a project. Mr. Gingerich said the project has a mutual benefit for both the school and community and could be accomplished by a joint effort.

Brooke Cates, Trost P.E. teacher, said she has a track club which motivated the project. The track would be 12 feet wide, 8 feet would be asphalt and could be used by skaters, and 4 feet would be cedar chips for the runners. Also, 2 inches of gravel will be necessary under the entire track. Ms. Cates used a map to indicate the circumference of the proposed route around the school facility.

John Falkenstein reported that the Parks & Recreation Committee recently met with the

Blue Heron group and both groups unanimously supported the proposal. The construction is scheduled for the summer of 1998, noting that the National Guard may do the excavation work this month which could expedite the project. An interagency agreement between the district and City will be created regarding the project.

Councilman Daniels asked if the track could be used for track meets. He was informed that it was designed for recreational use and not competitive events.

An annual jog-a-thon will be held again this year with the funds pledged to this project, and usually \$4,000 or \$5,000 is generated. Hopefully, this event will generate more money with corporate sponsorship.

Mr. Falkenstein said the project estimate is \$30,000 and hopefully, \$15,000 will be raised through fundraising efforts.

Councilman Harris asked about accessibility to the public and security. Ms. Cates said there would be 24 hour access to the public and security will be handled through the school office, but the details are not complete at this time.

Mayor Taylor said he was very supportive of the project, but asked what the cost of excavation would be if the National Guard is not involved. The actual estimate is not clear at this time.

Administrator Jordan said the project could be worked into the SDC methodology, as a recreational need and it does not have to be on City land. Also, the Parks Master Plan created by the U of O students mentions that shared use of recreational facilities by the school district and City should be a part of the plan.

Councilman Nolder stated that this would be a great joint project. However, he pointed out that the school district has a \$25 million dollar budget, and the City has a \$4 million dollar budget, and they are asking the City for \$15,000 for the project, while the district will utilize fundraisers to make up the difference. The school district is planning on a \$3,000 or \$4,000 expenditure for the project. He said it did not seem equitable.

Councilman Gerber noted that the school is allowing the City to use their land to incorporate a project into our Parks Master Plan.

Mayor Taylor said if the National Guard can provide the excavation rather than the City, it would make the project more desirable to him. He added that taxpayers may not care whether it is City or school money that pays for this project. The Mayor said that money has historically been an issue between the City and school district.

Mr. Gingerich said their understanding was that money was generated for this type of

specific use, and in fact, needed to be used for such recreation projects.

Mr. Jordan replied that money collected on SDC's cannot be used on this project because the project is not in the current methodology for the Parks SDC's. Mr. Jordan said there is some potential for reimbursement in the proposed Parks Master Plan. He added that because the City had underfunded the parks development fund, \$50,000 had been set aside to utilize in Park SDC funds.

Councilman Nolder said it is a worthwhile project, but suggested that the City and school match dollar for dollar on what is needed after the fundraising project has generated money.

Mayor Taylor asked if the Council wants to commit to the project.

Councilman Lucas said it is a very worthwhile project, and it is time that the City cooperates with the school on a joint project. Because the National Guard is available soon, the City should commit to pay half and the school half.

****Councilman Gerber moved to direct staff to enter into an Intergovernmental Agreement with the school district for the September 15, 1997 meeting, and to allocate \$15,000 in funds for the project. Motion seconded by Councilman Daniels.**

DISCUSSION - Councilwoman Strong said the Library has shortened hours, City parks that are deteriorating because of lack of funds, and streets need to be repaired. Therefore, the allocation of money for this project is a concern, even though it is a worthwhile project.

Councilman Gerber pointed out that funds committed to the parks development is what will be used.

Councilwoman Strong asked if those funds needed to be paid back. Mr. Jordan said that the intent of the funds was to use them on a SDC funded project, however, there is a component for a reimbursement fee, if it is worthwhile to do.

Ray Bartlett, explained that a reimbursement fee is set up in the System Development Charge which is money that is invested in existing parks and then charged back to the parks. He said the maintenance of the park is a valid concern, and if the school district will maintain the park it is actually a large cost savings.

John Falkenstein said the proposal is for a shared maintenance.

Councilman Gerber said if the opportunity to use the National Guard is not realized, then he would like to re-evaluate the project.

Councilman Harris agreed that the project is one that he is totally in favor of, however, the financing is a concern. He reiterated the same concerns expressed by Councilwoman Strong about other areas that are not funded. Mr. Harris asked if the \$50,000 set aside is committed only for parks and cannot be used any other way. He was told that was correct, and the project matches the criteria for use of those funds.

Councilman Nolder stated that unless it was a dollar for dollar match, he was not in favor of the proposal.

Councilman Daniels said this was an opportunity to add to the needed recreational programs for the City, specifically if the National Guard assists in the project.

Councilman Gerber asked that the long-term maintenance be clarified in the intergovernmental agreement.

Mayor Taylor suggested that it is time for a joint meeting with the school board, and it would be an opportune time to discuss such issues.

Mr. Gingerich stated that for the school district's share of the funding their endeavor is to generate it through fundraisers since the district has no budgeted funds for the project. He added that the City does have the money set aside for parks development.

****The motion to enter into an agreement with the school district for the track was approved 4-2, with Councilors Nolder and Strong voting nay.**

The jog-a-thon is scheduled for September 24 and 25.

Liquor License application-4th Quarter Sports Grill - ****Councilman Lucas moved to forward a recommendation of approval to the OLCC for a Dispenser Class A liquor license for 4th Quarter Sports Bar. Motion seconded by Councilman Harris.**

DISCUSSION - Councilman Gerber stated that Mr. Jorboe has previously had a liquor license at this location prior to relocating that business.

****The liquor license was approved 6-0.**

ORDINANCES & RESOLUTIONS: Resolution 648 - Administrator Jordan stated that because of low interest rates the process has been started to refinance the 1992 Sewer Bonds, providing a minimum 3% savings can be generated.

Carol Samuels, with Seattle Northwest Securities, said the refinancing is similar to refinancing of a home loan. She said the state requirement is a 3% minimum savings, and the City estimated savings would be 3 1/2%, and with Council approval they can proceed. She said with the volatile market, a higher savings could be realized. Ms. Samuels said the actual savings is approximately \$123,000, and over the life of the issue it would be approximately \$200,000. She added that the same terms and conditions are required as when the bonds were issued in 1992.

Councilman Gerber asked what the interest rate would be at this time. Ms. Samuels said it was just under 5 1/4% and the original issue was 6 1/4%.

****Councilman Daniels moved to adopt Resolution No. 648, a RESOLUTION OF THE CITY OF CANBY, CLACKAMAS COUNTY, OREGON, AUTHORIZING THE ISSUANCE OF SEWER REVENUE REFUNDING BONDS, SERIES 1997. Motion seconded by Councilman Gerber and approved 6-0.**

Mayor Taylor took a short recess at 9:05 p.m., reconvening at 9:20 p.m.

Resolution No. 651 - Administrator Jordan explained that these sewer bonds are for the improvements at the sewer plant, and is a continuance of the Phase II construction. Some improvements have been made as time and cash allowed. A storm water improvement in the northeast quadrant is being implemented and funded from the sewer construction reserve for one-half million dollars, and is one reason for the cash flow concern.

Curt McLeod, engineer, explained that in 1991 master planning for the sewer plant was drafted with phase I and phase II. Mr. McLeod explained that the remaining phase II improvements total approximately 3 million dollars. Mr. McLeod reviewed the projects that have been completed and the remaining projects. He added that the plant is under constraints to meet discharge requirements and the improvements will address this issue. The project components are the aeration basin improvements, effluent filtration and biosolids de-watering improvements. The upgrading of the facility should handle a population of 28,000.

Councilman Nolder asked how long it will be before we have a powdered sludge. Mr. McLeod said the sludge will be 75% water and 1/5 of the volume will be like a pile of sand and can be stored.

Councilman Lucas asked if there will ever be a day that a second sewer plant will be needed. Mr. McLeod said that was possible for the future, however, the 2040 Metro Plan indicates that all sewage will be at the present site.

Councilman Nolder reiterated that the improvements will bring the sewer plant up to a

standard to service 28,000 people. Mr. McLeod said actually it will bring the plant up to a standard that every component will do as original design for 20,000 people. He added that the City will be doing a "leap frog" scenario in sewer plant improvements, by improving one component at a time which will add additional capacity, then make another component improvement to add capacity. Mr. McLeod said the 28,000 figure is a number that has been provided to them for a 20 year projection of growth. He noted that the modifications made in the operation of the plant add life to the facility.

Mayor Taylor pointed out that Mr. McLeod's firm has delivered projects on time, and below cost.

Councilman Lucas asked if the rates will be increased because of prospective future growth.

Ray Bartlett said the improvements which will be made for the next four years amount to 3 ½ million dollars, and half of that will be funded by SDC's from new development and cash reserves; and the remaining half will be funded by the 1.5 million dollar bond issue and paid for by rate payers. He said the sewer rate for a single family house will be increased by \$2.00, a \$1.00 increase the following year and perhaps another dollar increase in the third year.

Mr. McLeod added that the newer DEQ requirements are more restrictive and the current facility does not meet the necessary standards, so it benefits existing users to meet the DEQ requirements.

Mr. Bartlett said that growth, through the SDC's, will pay for the expansion. He said 3 million is for the upgrading of the sewer plant, ½ million for the storm drainage project and a series of repairs to the collection system, and adding capacity to the collection system. He said the revenue bonds must be backed by user fees which are more definite than SDC's. He said that "you build to capacity first and then growth comes, and you can't collect the SDC's until growth arrives."

Administrator Jordan informed the Council that interest rates on the bonds are lower because they are secured with rates, and, in fact, the bonds might not sell if they were secured only with SDC's. He noted that the last rate increase was 1994.

Councilman Nolder asked how much longer the City will be paying on the current sewer bonds. Mr. Jordan said they were funded for twenty years. The new bonds will be on an additional 20 year pay schedule.

Mayor Taylor reminded the Council that at one time the City put off raising rates until there was a crisis, and the rates doubled. He said an incremental increase has been the choice of the Council since that time.

Councilman Nolder said his concern was justification for this increase, reminding the Council of the recent yard debris rate increase.

****Councilman Gerber moved to adopt Resolution No. 651, a RESOLUTION OF THE CITY OF CANBY, CLACKAMAS COUNTY, OREGON, AUTHORIZING THE ISSUANCE OF SEWER REVENUE BONDS FOR a TOTAL OF NOT TO EXCEED \$1,500,000 AND PROVIDING FOR PUBLICATION OF NOTICE. Motion seconded by Councilman Daniels and approved 6-0.**

Resolution No. 647 - Administrator Jordan noted that this was the annexation of 19 acres off of Township Road.

****Councilman Daniels moved to adopt Resolution No. 647, a RESOLUTION TO THE PORTLAND METROPOLITAN AREA LOCAL GOVERNMENT BOUNDARY COMMISSION RECOMMENDING APPROVAL OF THE ANNEXATION TO THE CITY OF CANBY, CLACKAMAS COUNTY, OREGON OF TAX LOTS 400 AND 700 OF TAX MAP 4-1E-3BB, AND TAX LOT 4401 OF TAX MAP 4-1E-3BC LOCATED ON THE SOUTH SIDE OF S.E. TOWNSHIP ROAD, BETWEEN S. PINE AND S. REDWOOD STREETS. Motion seconded by Councilman Lucas.**

DISCUSSION - Councilman Gerber noted that this was only a recommendation to the Boundary Commission to annex the land. It does not have any merit regarding the development of the land which will require a public hearing.

Councilman Lucas pointed out that the sliver of land that was a concern, will be taken care of during the subdivision process.

****Resolution No. 647 was approved 6-0.**

Resolution 649 and 650 - Mr. Jordan stated that the budget documents for 1997-98 needed to be amended and these two resolutions implement that process.

Mr. Jordan said that a new form M-50, because of Measure 50, had an error in the figure for the Police Serial Levy. He said the serial levy was rate based and the figure was too low. Mr. Jordan said after reviewing the budget document there were other errors which needed amending, and those are being corrected at this time. One was a form which allowed the calculation of land annexed during the past 12 months to be added to the tax base, and this amounted to an additional taxing authority of \$7,007. The library general obligation bond funds were calculated a little low, so that number was adjusted.

Mr. Jordan said Resolution 649 revokes the first resolution that reflected the budgeted errors. A new budget resolution must be adopted, and that will be resolution 650.

Councilman Harris pointed out an error on resolution 649. The Police Serial Levy should read **\$215,511**.

****Councilman Harris moved to adopt Resolution No. 649, a RESOLUTION OF THE CITY OF CANBY REVOKING RESOLUTION NO. 642. Motion seconded by Councilwoman Strong.**

DISCUSSION - Councilman Gerber questioned the bonded debt that was not amended. Mr. Jordan replied that it was incorrectly itemized and should not have been itemized.

Councilman Lucas asked if there were only five annexations in the past year. Mr. Jordan said that was correct, only five were annexed during the fiscal year.

Councilman Nolder noted that it was fortunate these errors were found, because it is an additional \$70,000 for the City. Mr. Jordan said the assessor's office found the errors when reviewing the new form. Mr. Jordan noted that these rates are locked in "forever" and if the error had not been noticed, the City would have lost that money forever.

****Resolution 649 was approved 6-0.**

****Councilman Harris moved to adopt Resolution No. 650, a RESOLUTION CORRECTING ERRORS, ADOPTING THE BUDGET, MAKING APPROPRIATIONS, AND CATEGORIZATION FOR THE 1997-98 FISCAL YEAR. Motion seconded by Councilman Daniels.**

DISCUSSION - Councilman Gerber asked about the changes. Mr. Jordan said the beginning text explains the reason for the resolution; the numbers for the tax base levy, serial levy and bonded debt numbers are changed; and the Sewer Construction Reserve was omitted from the first resolution.

****Resolution No. 650 was approved 6-0.**

UNFINISHED BUSINESS: None presented.

MANAGER'S REPORT: Gas Tax - Mr. Jordan reported that Clackamas County will submit a gas tax and vehicle registration increase to the voters in November, and the County is seeking a resolution of support from the various communities on the measure. He added that an intergovernmental agreement for distribution of the funds will be developed, if the measure passes, and the first year it would be 60% for the county and 40% to cities, with a negotiated distribution thereafter. Mr. Jordan said the County is asking that cities share in the cost for putting the measure on the ballot, the estimated cost is \$72,000 and \$28,800 will be allocated to cities by population.

Canby's share will be \$2,287.

Mayor Taylor asked if the 60/40 formula was developed because of road miles. Mr. Jordan said it was basically road miles criteria, however, many cities were in disagreement over the formula and that is why it will be implemented for only one year prior to negotiating another formula.

Councilman Gerber expressed a concern about county roads that are in the City, and specifically the maintenance of those roads and if the proposed gas tax funds will be delegated to fixing any of those roads. Mr. Jordan said a list of roads has been submitted for proposed improvements, and the only one listed in our area is Territorial Road and 99E signalization project, for \$77,500. Township Road from Redwood to Ivy Street is listed for maintenance and improvements, even though that road has been approved as a Community Development Block Grant Project. Mr. Jordan said he would suggest that money be allocated to another road in Canby.

Mayor Taylor and several Councilors were opposed to the 60/40 formula for distribution of a county gas tax revenue..

Mayor Taylor said the Council may be supportive, but at this time a resolution of support may not be appropriate because of the distribution of funds. Mayor Taylor suggested that there could be a more equitable way to distribute the proposed gas tax revenue.

Mayor Taylor stated that if a County Commissioner wanted to discuss the gas tax measure with the City, it may be of value. He added that the City has the authority to make the decision of endorsing this issue to Canby citizens.

Mr. Jordan stated that there does not appear to be any new transportation funding from the state. He said if the county issue fails, there are still avenues open to the City, such as transportation utilities as a local approach to raise funds for transportation matters.

COUNCILORS' ISSUES: Councilman Nolder noted that a citizen, Ernie Ragen a retired TriMet bus driver, approached him about the possibility of Canby initiating a bus such as the one in Wilsonville. Mr. Jordan said he has done research on the matter and he would talk to the gentleman.

Councilman Harris noted that Portland has expanded it's prostitution free zone because their exclusion ordinance is so successful, and he wanted to see an ordinance regarding the issue very soon.

Attorney Kelley asked if the Council wanted a drug free zone ordinance, and was informed that was correct. He added that the criteria to develop such an ordinance are

numbers that are "close," in regards to withstanding a court challenge. He added that the Police Department has stated that they do not need this ordinance, and can prosecute on other criteria. The Council agreed that they wanted to review a draft ordinance for an exclusion zone. An ordinance will be brought to the Council by October 1st.

Councilman Harris suggested that because of the length of the meetings, the Council might want to consider meeting on an additional Wednesday each month. The Council usually starts their meetings at 6:00 p.m., go into regular session at 7:30 p.m. and then into an executive session, which means many hours, and often decisions are difficult to make during an exhausting meeting.

Mayor Taylor suggested that this matter be discussed within the next three meetings.

Councilman Gerber asked if a resolution was necessary to set park hours. Mr. Jordan said notices have been sent out to residents of the area.

Mayor Taylor reminded citizens of a vacancy on the Planning Commission.

OTHER REPORTS OR ANNOUNCEMENTS: None presented.

ACTION REVIEW:

1. Mayor will send letter to non-profit organizations soliciting interest in a fundraising event at fairgrounds.
2. Develop IGA with school district regarding Trost Elementary track project, committing City funds up to \$15,000.
3. Schedule joint meeting with school board.
4. Implementing Resolutions 647, 648, 650 and 651, regarding an annexation, sewer bonds and amending the City budget.
5. Forward favorable recommendation to OLCC for a liquor license for 4th Quarter Sports Bar.
6. Research a Canby Regional Area Bus (CRAB).
7. Prepare Exclusion Ordinance for October 1st.
8. Schedule County Commissioner to address Council regarding gas tax measure.

****Councilman Daniels moved to go into Executive Session under ORS 192.660 (1)(d) regarding labor negotiations; (1)(h) regarding pending litigations; and (1)(i) regarding performance review. Motion seconded by Councilwoman Strong and approved 6-0.**

Mayor Taylor recessed the regular session at 11:07 p.m. to go into Executive Session. The regular session was reconvened at 12:13 a.m.

****Councilman Gerber moved to approve the 1997-98 management salary schedule except for the Finance and Administrative Director position to be maintained at the current level; and the Planning Director position be approved at the next step but not receive the differential, all others as submitted by the City Administrator. Motion seconded by Councilwoman Strong and approved 5-1, with Councilman Harris voting nay.**

Mayor Taylor adjourned the session at 12:15 a.m.

EXECUTIVE SESSION
SEPTEMBER 3, 1997

PRESENT: Mayor Taylor, Councilors Nolder, Gerber, Harris, Lucas, Daniels and Strong, Mr. Jordan, Mr. Kelley and Ms. Chaplen.

Mayor Taylor called the session to order at 11:08 p.m. in the CUB conference room.

ORS 192.660 (1)(h) - The Council discussed a request for public records, the exit interview with Virginia Biddle.

ORS 192.660 (1)(d) - The Council discussed management compensation for the 1997-98 year.

ORS 192.660 (1)(i) - The Council discussed the performance of a City employee.

Mayor Taylor adjourned the session at 12:05 a.m.



Marilyn K. Perkett
City Recorder



Scott Taylor
Mayor