



## CITY COUNCIL Agenda

222 NE 2<sup>nd</sup> Avenue, Canby, OR, 97013 | Ph: (503) 266-4021 | [www.canbyoregon.gov](http://www.canbyoregon.gov)

**June 4, 2025**

The City Council meeting may be attended in person in the Council Chambers at  
222 NE 2<sup>nd</sup> Avenue, Canby, OR 97013

The meetings can be viewed on YouTube at:

<https://www.youtube.com/channel/UCn8dRr3QzZYXoPUEF4OTP-A>

The public can register to attend the meeting virtually by contacting the Deputy City Recorder;  
[ridgleyt@canbyoregon.gov](mailto:ridgleyt@canbyoregon.gov) or call 503-266-0637.

For questions regarding programming, please contact: Willamette Falls Studio (503) 650-0275;  
[media@wfmcastudios.org](mailto:media@wfmcastudios.org)

---

### WORK SESSION – 6:00 PM

1. CALL TO ORDER
2. SYSTEM DEVELOPMENT CHARGE (SDC) UPDATE PROCESS – PART 3
3. ADJOURN

Pg. 1

---

### REGULAR MEETING – 7:00 PM

1. CALL TO ORDER
  - a. Invocation
  - b. Pledge of Allegiance
2. CITIZEN INPUT & COMMUNITY ANNOUNCEMENTS: This is an opportunity for audience members to address the City Council on items not on the agenda. If you are attending in person, please complete a testimony/comment card prior to speaking and hand it to the City Recorder. If you would like to speak virtually, please contact the City Recorder by 4:30 pm on June 4, 2025, with your name, the topic you'd like to speak on and contact information: [benhamm@canbyoregon.gov](mailto:benhamm@canbyoregon.gov) or call 503-266-0720.
3. CONSENT AGENDA
  - a. Approval of the May 7, 2025, City Council Regular Meeting Minutes.
  - b. Approval of the Modified Noise Variance for JE Dunn Construction.
  - c. Approval of the New Retail Off-Premises OLCC License for Canby Grocery Outlet at 891 SE 1<sup>st</sup> Avenue.

Pg. 2

Pg. 6

Pg. 8

#### 4. ORDINANCES & RESOLUTIONS

- a. Consider **Ordinance No. 1647**: An Ordinance Adopting Findings to Support an Exemption from the Formal Selection Process for a Contract for Sludge Hauling Services, Declaring Such Exemption, and Authorizing Direct Award of a Contract to Heard Farms, Inc. (*Second Reading*) Pg. 11
- b. Consider **Resolution No. 1434**: A Resolution Amending Policy 5 – Revenue Constraints and Fund Balance, Other Consideration – Fund Balance. Pg. 17

#### 5. OLD BUSINESS

- a. Street Maintenance Fee – CPI Adjustment Pg. 19

#### 6. NEW BUSINESS

- a. Potential Work Session to Preview Master Fee Resolution

#### 7. MAYOR’S BUSINESS

- a. Discussion of a Work Session regarding 3<sup>rd</sup> Court

#### 8. COUNCILOR COMMENTS & LIAISON REPORTS

#### 9. CITY ADMINISTRATOR’S BUSINESS & STAFF REPORT

- a. FY 24-25 Council Goals Final Status Report Pg. 21

#### 10. CITIZEN INPUT

#### 11. ACTION REVIEW

#### 12. ADJOURN

---

### EXECUTIVE SESSION – 8:00 PM (Will begin after the Regular Meeting but not before 8:00pm)

**EXECUTIVE SESSIONS ARE CLOSED TO THE PUBLIC.** Representatives of the news media and designated staff may attend Executive Sessions. Representatives of the news media are specifically directed not to report on any of the deliberations during the Executive Session, except to state the general subject of the session as previously announced. No Executive Session may be held for the purpose of taking final action or making any final decision.

#### 1. CALL TO ORDER

- 2. **EXECUTIVE SESSION:** Pursuant to ORS 192.660(2)(h): To consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed.

#### 3. ADJOURN

\*The meeting location is accessible to persons with disabilities. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made at least 48 hours before the meeting to Maya Benham at 503-266-0720. A copy of this Agenda can be found on the City’s web page at [www.canbyoregon.gov](http://www.canbyoregon.gov).



## CITY COUNCIL Staff Report Work Session

Meeting Date: 6/4/2025

To: The Honorable Mayor Hodson & City Council  
Thru: Eileen Stein, City Administrator  
From: Don Hardy, Planning Director  
Agenda: System Development Charge (SDC) Update Process Work Session Part 3

---

### **Summary**

The city is in the process of updating its system development charges (sewer, storm, parks and traffic) and city council input is essential to develop the SDC methodology. A work session on the system development updates occurred February 19 and March 19 and this work session is a continuation of these work sessions to advance the SDC methodology, provide an update on the parks SDC process and identify next steps for all SDC's. FCS Group has been hired by Canby to complete the update process, and they are familiar with our SDC process as they were involved with the prior methodology for parks and transportation.

### **Background**

The Parks and Recreation Advisory Committee met twice to develop a 20-year project list along with a draft parks level of service based on this list. The 20-year transportation project list is also being developed as part of the Transportation System Plan update. SDC updates must provide a 90-day initial notice to interested parties and a draft of the SDC update documents must be provided 60 days in advance of the first hearing before the city council.

### **Attachments**

- None, a PowerPoint presentation will be provided to the city council on June 3.

### **Options**

No formal action is needed but the city council's direction is needed to provide FCS Group and staff direction on policies and methodologies.

### **Fiscal Impact**

No fiscal impact will occur.

### **Recommended Action**

No formal action is requested but the council input on SDC policies and methodologies will be sought.

**CANBY CITY COUNCIL  
REGULAR MEETING MINUTES  
May 7, 2025**

**PRESIDING:** Traci Hensley

**COUNCIL PRESENT:** Paul Waterman, Daniel Stearns, James Davis (attended virtually), Herman Maldonado (attended virtually), and Jason Padden (attended virtually).

**STAFF PRESENT:** Eileen Stein, City Administrator; Emily Guimont, City Attorney; Teresa Ridgley, Deputy City Recorder; Jamie Stickel, Economic Development Director/Communications Specialist; Monica Stone, Wastewater Treatment Plant Supervisor; Todd Wood, Fleet/Transit/IT Director; Jessica Roberts, Court Supervisor; Lucy Heil, City Prosecutor.

**CALL TO ORDER:** Council President Hensley called the meeting to order at 7:02 p.m.

**NEW EMPLOYEE INTRODUCTIONS:** None.

**PROCLAMATION:** Mental Health Awareness Month – Council President Hensley read the proclamation declaring May 2025 as Mental Health Awareness Month and presented it to Scott Taylor, Canby Suicide Prevention Task Force. Mr. Taylor provided a background on the Task Force's work and explained how people could connect to services.

Gary Marschke, National Alliance on Mental Illness (NAMI) in Clackamas, attended virtually and gave a short presentation on mental illness and how to effect change. He then introduced the organization, success stories, classes, support groups, one on one peer help, special projects, free presentations, and no cost services. He also explained their fundraising efforts, volunteers, and how to stay connected.

**CITIZEN INPUT & COMMUNITY ANNOUNCEMENTS:**

Greg Perez, Canby resident, spoke about the actions of the City Administrator and Finance Director and how the Council needed to make some tough decisions with personnel changes and go in a different direction.

Kathy Robinson, representing the Canby Adult Center, thanked the Council for the grant the City gave them to support their building purchase. They were in the process of signing rental agreements with two different churches for shared space. They were also working with a capital campaign team and several large grants were in the works. She planned to continue to collaborate with the City.

Ruth Reyes, City employee, had worked for the City since 2021 as a utility billing technician and translation services for court. She spoke about being treated differently than other Finance Department employees which included aggressive comments made by the Finance Director. She also stated the City Administrator had done nothing to stop the behavior.

Chris Goetz, President of AFSCME Local 350-6, discussed the union's deep concerns and ongoing lack of confidence in the leadership of the City Administrator. There had been little

change since the last time the union came to Council asking for better leadership. There had been a lack of process and guidance on issues in the workplace, increasing the liability to the City. He discussed the aggressive actions of the Finance Director and how no action had been taken. He also stated the Council needed to take proactive steps to address these concerns.

**CONSENT AGENDA: \*\*Councilor Maldonado moved to approve the consent agenda that included the minutes of the April 9, 2025, City Council Regular Meeting, and the minutes of the April 23, 2025, City Council Regular Meeting. Motion was seconded by Councilor Padden and passed 6-0.**

#### **ORDINANCES AND RESOLUTIONS:**

Ordinance 1642 – No further explanation as this is a second reading.

**\*\*Councilor Waterman moved to adopt Ordinance 1642, AN ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR TO EXECUTE A CONTRACT WITH CURRAN-McLEOD, INC. FOR ENGINEER OF RECORD. Motion was seconded by Councilor Padden and passed 6-0 by roll call vote.**

Ordinance 1643 – Curt McLeod from Curran-McLeod, Inc. presented the three components of the Walnut Street project and the costs. This contract would allow them to cross under the railroad and highway and bring the sanitary sewer to the project site.

**\*\*Councilor Waterman moved to approve Ordinance 1643, AN ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR TO EXECUTE A CONTRACT WITH DEWITT CONSTRUCTION IN THE AMOUNT OF \$837,720 FOR THE WALNUT STREET SANITARY SEWER HWY99E & RR BORE PROJECT to come up for second reading on May 21, 2025. Motion was seconded by Councilor Padden and passed 6-0 on first reading.**

Ordinance 1644 – Todd Wood, Fleet, Transit, & IT Director, said the next two ordinances would authorize the City to purchase five vehicles. There were three buses well past their useful life and they had received a grant to replace them. For Dial-A-Ride, the transit vans worked better than the cutaway buses, and they were requesting to purchase four of the vans to replace two of the buses. The third vehicle was used for the 99X route and it would be replaced with the same style of bus. There were two separate ordinances because they were separate bids. However, they were all being purchased with the same grant. He explained how they planned to sell the old vehicles.

**\*\*Councilor Waterman moved to approve Ordinance 1644, AN ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR TO PURCHASE FOUR (4) TRANSIT VANS FOR CANBY AREA TRANSIT FROM NORTHWEST BUS SALES IN THE AMOUNT OF \$457,876 to come up for second reading on May 21, 2025. Motion was seconded by Councilor Davis and passed 6-0 on first reading.**

Ordinance 1645 – No further explanation as this is a second reading.

**\*\*Councilor Waterman moved to approve Ordinance 1645, AN ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR TO PURCHASE ONE (1) TRANSIT**

**BUS FOR CANBY AREA TRANSIT FROM NORTHWEST BUS SALES IN THE AMOUNT OF \$180,796 to come up for second reading on May 21, 2025. Motion was seconded by Councilor Maldonado and passed 6-0 on first reading.**

Ordinance 1646 – Jessica Roberts, Court Supervisor, and Lucy Heil, City Prosecutor, said this was a request to enter into an agreement with the City Prosecutor for \$60,000 per year. The Prosecutor had been with the City for over five years and had supported the City through many changes. Her workload had been increased, and she was requesting to be compensated for her work and remain competitive with surrounding cities.

**\*\*Councilor Stearns moved to approve Ordinance 1646, AN ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR TO ENTER INTO AN AGREEMENT IN THE AMOUNT OF \$60,000 BETWEEN THE CITY OF CANBY AND LUCY HEIL, CITY PROSECUTOR to come up for second reading on May 21, 2025. Motion was seconded by Councilor Davis and passed 6-0.**

Resolution 1426 – Emily Guimont, City Attorney, clarified questions the Council had regarding the extension agreement with Astound impacting other existing franchise agreements for cable services. She confirmed it would not impact the one other cable franchise.

**\*\*Councilor Waterman moved to approve Resolution 1426, A RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO SIGN THE EXTENSION AGREEMENT EXPIRING JUNE 21, 2030, ATTACHED AS EXHIBIT A. Motion was seconded by Councilor Padden and passed 6-0.**

Resolution 1432 – Kris Wright, Canby Disposal Manager, said this was a request for a 1.6% increase in collection rates. This was a CPI rate increase to keep up with inflation. They were proud to give back to the community with various donations and sponsorships.

The Council thanked them for their responsiveness to the community.

**\*\*Councilor Waterman moved to approve Resolution 1432, A RESOLUTION AUTHORIZING A RATE INCREASE AND ESTABLISHING A NEW RATE SCHEDULE FOR GARBAGE COLLECTION BY CANBY DISPOSAL WITHIN THE CITY OF CANBY. Motion was seconded by Councilor Davis and passed 6-0.**

**OLD BUSINESS:** None.

**NEW BUSINESS:** None.

**MAYOR'S BUSINESS:** None.

#### **COUNCILOR COMMENTS & LIAISON REPORTS:**

Council President Hensley reported on the state legislature approving House Concurrent Resolution 33 honoring Frank Cutsforth for his contributions to Canby.

Councilor Padden said the Planning Commission would be discussing updates to the fence code. The Council subcommittee working on the City Administrator review process had sent a draft document to the City Attorney for review.

**CITY ADMINISTRATOR'S BUSINESS:** Eileen Stein, City Administrator, said she gave a presentation on the state of the City to Kiwanis. She had made an offer to a new Human Resources Director and was waiting to hear back. The budgets for the next Budget Committee meeting would be out on Monday. There would be a ground breaking ceremony for the Mark Prairie Schoolhouse on May 14.

**CITIZEN INPUT:** None.

**ACTION REVIEW:**

1. Approved the Consent Agenda.
2. Adopted Ordinance 1642.
3. Approved Ordinances 1643, 1644, 1645, and 1646 to a second reading on May 21, 2025.
4. Adopted Resolutions 1426 and 1432.

The meeting was adjourned at 8:11 p.m.

Maya Benham, CMC  
City Recorder

Brian Hodson  
Mayor

Assisted with Preparation of Minutes – Susan Wood

## Modified Noise Variance - JE DUNN

**From:** [Maya Benham](#)  
**To:** [Seth W Baker](#)  
**Cc:** [Jeff Byrne](#); [David Linhart](#); [Project 23017400 - OLCC Warehouse and Headquarters Relocat](#)  
**Subject:** RE: City of Canby Noise Variance Request - Project Meadowlark 165 S. Walnut St.  
**Date:** Monday, May 12, 2025 10:10:00 AM  
**Attachments:** [image001.png](#)

---

Good morning Seth,

Thank you for the updated request. I will update the notice to reflect the requested noise variance modification. Since the modification will go before City Council on June 4, 2025, it will be effective June 5, 2025 through February 28, 2026, from 2:00am – 7:00am to occur as needed.

Please let me know if you have any questions.

Sincerely,

**Maya Benham, CMC**

*Administrative Director/ City Recorder*

City of Canby

222 NE 2<sup>nd</sup> Avenue | PO Box 930

Canby, OR 97013

**Office: 503.266.0720**

**Cell/Text: 503.592.7289**

[benhamm@canbyoregon.gov](mailto:benhamm@canbyoregon.gov)



---

**From:** Seth W Baker <Seth.W.Baker@jedunn.com>

**Sent:** Monday, May 12, 2025 10:03 AM

**To:** Maya Benham <BenhamM@canbyoregon.gov>

**Cc:** Jeff Byrne <Jeff.Byrne@jedunn.com>; David Linhart <David.Linhart@jedunn.com>; Project 23017400 - OLCC Warehouse and Headquarters Relocat <23017400@jedunn.com>

**Subject:** Re: City of Canby Noise Variance Request - Project Meadowlark 165 S. Walnut St.

Good morning Maya,

I am writing to follow up on our previous request for an adjustment of the noise variance, initially requested for approximately four months. As discussed during our phone conversation this morning, we would like to extend the noise variance modification for the full remaining duration, through February 28, 2026.

I agree it is prudent to apply the two-hour adjustment for the entire duration of the noise variance to avoid the need for additional requests before the end date. As discussed, the



need for early activities will likely peak over the coming months.

Thank you for your attention to this matter. We look forward to your confirmation.

Best regards,

**Seth Baker**

**JE Dunn Construction**

mobile 503.793.3032 | [seth.w.baker@jedunn.com](mailto:seth.w.baker@jedunn.com)

---

**This Message Is From an Untrusted Sender**

You have not previously corresponded with this sender.

# Memo

To: Mayor Brian Hodson & Members of City Council  
From: Jorge Tro, Chief of Police  
CC: Maya Benham, Administrative Director/ City Recorder  
Date: June 4, 2025  
Re: Liquor License Application / Off-Premises, Grocery Outlet, 891  
SE 1<sup>st</sup> Avenue, Canby, Oregon

---

I have reviewed the attached Off Premises Liquor License Application for the business, Grocery Outlet, located at 891 SE 1<sup>st</sup> Avenue, Canby, Oregon, 97013.

On May 27, 2025, I spoke with the owner, Cesilia Garcia Ruiz, regarding the application. She is hoping to have the store open this July. She currently owns a Grocery Outlet in Hermiston and is familiar with selling alcoholic beverages. The sale of alcohol will only be for off-premises consumption.

We discussed the expectations and responsibilities involving the sale of alcoholic beverages. She explained that the staff will be trained in the laws regulating the sale of alcoholic beverages and the consequences for failure to comply with the rules as set forth by Oregon State Law.

It is my recommendation that the Canby City Council approve this application to the Oregon Liquor Control Commission (OLCC).



OREGON LIQUOR & CANNABIS COMMISSION  
**Local Government Recommendation – Liquor License**

Annual Liquor License Types	
Off-Premises Sales	Brewery-Public House
Limited On-Premises Sales	Brewery
Full On-Premises, Caterer	Distillery
Full On-Premises, Commercial	Grower Sales Privilege
Full On-Premises, For Profit Private Club	Winery
Full On-Premises, Non Profit Private Club	Wholesale Malt Beverage & Wine
Full On-Premises, Other Public Location	Warehouse
Full On-Premises, Public Passenger Carrier	

**Section 1 – Submission – To be completed by Applicant:**

**License Information**

Legal Entity/Individual Applicant Name(s): 2SGR Ventures LLC

Proposed Trade Name: Canby Grocery Outlet

Premises Address: 891 Se 1st Ave

Unit:

City: Canby

County: Clackamas

Zip: 97013

Application Type: ☒ New License Application ☐ Change of Ownership ☐ Change of Location

License Type: ☐ Additional Location for an Existing License

**Application Contact Information**

Contact Name: Cesilia Garcia Ruiz

Phone: [REDACTED]

Mailing Address: [REDACTED]

City: [REDACTED]

State: OR

Zip: [REDACTED]

Email Address: [REDACTED]

**Business Details**

Please check all that apply to your proposed business operations at this location:

☐ Manufacturing/Production

☒ Retail Off-Premises Sales

☐ Retail On-Premises Sales & Consumption

If there will be On-Premises Consumption at this location:

☐ Indoor Consumption

☐ Outdoor Consumption

☐ Proposing to Allow Minors

**Section 1 continued on next page**



paid \$100<sup>00</sup> on xpress  
acct 8780

OREGON LIQUOR & CANNABIS COMMISSION

**Local Government Recommendation – Liquor License**

**Section 1 Continued – Submission - To be completed by Applicant:**

Legal Entity/Individual Applicant Name(s): 2SGR Ventures LLC

Proposed Trade Name: Canby Grocery Outlet

**IMPORTANT:** You MUST submit this form to the local government PRIOR to submitting to OLCC.  
Section 2 must be completed *by the local government* for this form to be accepted  
with your CAMP application.

**Section 2 – Acceptance - To be completed by Local Government:**

**Local Government Recommendation Proof of Acceptance**

After accepting this form, please return a copy to the applicant with received and accepted information

City or County Name:

Optional Date Received Stamp

Date Application Received:

Received by:

**Section 3 – Recommendation - To be completed by Local Government:**

- ☐ Recommend this license be granted
- ☐ Recommend this license be denied (Please include documentation that meets OAR 845-005-0308)
- ☐ No Recommendation/Neutral

Name of Reviewing Official:

Title:

Date:

Signature:

After providing your recommendation and signature, please return this form to the applicant.



## CITY COUNCIL Staff Report

Meeting Date: 6/4/2025

To: The Honorable Mayor Hodson & City Council  
Thru: Eileen Stein, City Administrator  
From: Monica Stone, Wastewater Treatment Plant Supervisor  
Agenda: Consider **Ordinance No. 1647**, An Ordinance Adopting Findings to Support an Exemption from the Formal Selection Process for a Contract for Sludge Hauling Services, Declaring such Exemption, and Authorizing Direct Award of a Contract to Heard Farms, Inc. (*Second Reading*)

---

### **Summary**

Staff is requesting City Council consideration of Ordinance No. 1647, which would adopt findings to support an exemption from the formal selection process based on the specialized nature of sludge hauling and land application services. The ordinance would authorize a direct award of a five-year contract to Heard Farms, Inc. for the continued hauling, treatment, and land application of biosolids from the City's wastewater treatment plant. The agreement includes an annually approved not-to-exceed budget to ensure fiscal oversight while maintaining regulatory compliance and continuity of essential operations.

### **Background**

For the past 13 years, the City of Canby has partnered with Heard Farms, for the hauling, further treatment, and Class B land application of biosolids generated at the City's wastewater treatment plant. This long-standing partnership has provided a reliable, cost-effective, and environmentally responsible alternative to landfill disposal. Heard Farms transports partially treated solids to its facility in Roseburg, where they are processed and beneficially reused as a soil amendment in accordance with all applicable regulations. Given the lack of other qualified providers in the region and Heard Farms' familiarity with the City's operations and regulatory requirements, staff recommends continuing this successful partnership through a multi-year contract structure with annual budget approval by the City Council.

### **Attachments**

Ordinance No. 1647 and Exhibit A

### **Fiscal Impact**

Each year, the contract amount will be established during the City's budget process and approved by Council as part of the annual operating budget. Based on past trends, Heard Farms biosolids management services are expected to remain more affordable than landfill disposal, with savings anticipated in both hauling and tipping fees. Entering into a five-year agreement also allows the City to secure long-term service stability, while maintaining flexibility through annual pricing updates.

**Options**

Approve Ordinance No. 1647

Take no action

**Proposed Motion**

"I move to adopt Ordinance No. 1647, An Ordinance Adopting Findings to Support an Exemption from the Formal Selection Process for a Contract for Sludge Hauling Services, Declaring such Exemption, and Authorizing Direct Award of a Contract to Heard Farms, Inc."

## **ORDINANCE NO. 1647**

### **AN ORDINANCE ADOPTING FINDINGS TO SUPPORT AN EXEMPTION FROM THE FORMAL SELECTION PROCESS FOR A CONTRACT FOR SLUDGE HAULING SERVICES, DECLARING SUCH EXEMPTION, AND AUTHORIZING DIRECT AWARD OF A CONTRACT TO HEARD FARMS, INC.**

**WHEREAS**, the City of Canby (“City”) City Council (“Council”) is the Local Contract Review Board of the City;

**WHEREAS**, the City has adopted its own local contracting rules entitled “City of Canby Administrative Policy: Contracting and Procurement”;

**WHEREAS**, ORS 279B.085(4) and the City’s local contracting rules, Section VII(1)(A), authorizes the Canby Local Contract Review Board to exempt certain contracts from the competitive proposal or bidding procurement requirements of ORS 279B upon approval of certain findings of fact;

**WHEREAS**, the City’s Local Contract Review Board has determined that directly awarding the contract to Heard Farms, Inc. for general sludge hauling services, will be most beneficial to the City, is unlikely to encourage favoritism, and is likely to result in substantial cost savings and other benefits, based on the findings attached as Exhibit A;

**WHEREAS**, pursuant to ORS 279B.085(5) the City published notice of the proposed exemption in the Canby Herald not less than 7 days prior to the date on which the City Council intends to take action to approve the exemption;

**WHEREAS**, the City held a public hearing to allow comments on the Local Contract Review Board’s draft findings on May 21, 2025; and

**WHEREAS**, after due deliberation, the City Council, sitting as the Local Contract Review Board, hereby adopts the findings in support of direct award of the contract for general sludge hauling services by Heard Farms, Inc., as set forth in Exhibit A.

### **NOW THEREFORE, THE CITY OF CANBY, OREGON, ORDAINS AS FOLLOWS:**

Section 1. Exemption Approval. The City Council hereby adopts findings supporting an exemption for the sludge hauling services contract with a five year term, declares such an exemption, and authorizes a direct award of the contract to Heard Farms, Inc. The findings are attached to this Ordinance as Exhibit A. Further, the City Council hereby authorizes future Council approval of an amendment to this contract by voice vote or resolution.

Section 2. Severability. If any provision, section, phrase, or word of this Ordinance or its application to any person, or circumstance is held invalid, the invalidity does not affect other provisions that can be given effect without the invalid provision or application.

Section 3.      Effective Date. This Ordinance shall take effect on July 4, 2025.

**SUBMITTED** to the Canby City Council and read the first time at a regular meeting on May 21, 2025, ordered posted as required by the Canby City Charter, and scheduled for second reading before the City Council for final reading and action at a regular meeting thereof on June 4, 2025, commencing at the of hour of 7:00 pm in the Council Chambers located at 222 NE 2<sup>nd</sup> Ave, 1<sup>st</sup> Floor, Canby, Oregon.

---

Maya Benham, CMC  
City Recorder

**PASSED** on second and final reading by the Canby City Council at a regular meeting thereof on the 4<sup>th</sup> day of June, 2025 by the following vote:

YEAS \_\_\_\_\_ NAYS \_\_\_\_\_

---

Brian Hodson, Mayor

ATTEST:

---

Maya Benham, CMC  
City Recorder



## Ordinance No. 1647 Exhibit A

### Findings in Support of Direct Award of a Contract for Sludge Hauling Services

Oregon law requires all service projects (both personal and general) to be procured by competitive bid or proposal, unless otherwise stated in local rules and unless an exemption is granted by the City of Canby (the “City”) Local Contract Review Board. One such exemption permits the City to award a service contract without competition if such award (1) is unlikely to encourage favoritism and (2) is reasonably expected to result in substantial cost savings. ORS 279B.085(4). This document demonstrates that Heard Farms, Inc. (“Heard” or “Heard Farms”) is uniquely qualified to provide on-going sludge hauling services for the City, such provision of services does not encourage favoritism, and results in substantial cost savings.

#### **Nature of the Project:**

For the past 13 years, the City has partnered with Heard for the hauling, further treatment, and Class B land application of biosolids generated at the City’s wastewater treatment plant. This long-standing partnership has provided a reliable, cost-effective, and environmentally responsible alternative to landfill disposal. Heard transports partially treated solids to its facility in Roseburg, where they are processed and beneficially reused as a soil amendment in accordance with all applicable regulations. Given the lack of other qualified providers in the region and Heard’s familiarity with the City’s operations and regulatory requirements, staff seeks to continue this successful partnership through a multi-year contract structure with annual budget approval by the City Council.

To secure long-term service stability, while maintaining flexibility through annual pricing updates, staff seeks to enter into a five-year agreement with Heard, for biosolids management services. The agreement shall provide for the annual transport and beneficial reuse of biosolids at Heard’s Roseburg facility, where the material is further treated and applied to land as a soil amendment in accordance with all applicable federal and state regulations. The contract shall be subject to an annual budget review and update, conducted jointly between the City and Heard, with the annual not-to-exceed contract amount established for each fiscal year. The revised annual NTE amount shall be presented to the City Council for review and approval as part of the City’s annual budget process.

#### **Public Notice:**

As required by ORS 279B.085(5) the City published notice for interested parties in the May 14, 2025 edition of the Canby Herald.

#### **Findings**

1. Direct appointment is unlikely to encourage favoritism.

The direct award of the biosolids management contract to Heard Farms is due to the absence of other qualified providers in the region. The City is not aware of any other company offering sludge hauling services in the area, and the only alternative is landfill disposal, which is more costly and environmentally burdensome. Heard Farms offers a proven, sustainable solution through land application, and is familiar with the City’s operational needs. A formal procurement would cost approximately \$5,000 with little likelihood of receiving competitive or responsive bids. A direct award ensures continuity of service, cost savings, and alignment with the City’s environmental and financial priorities.

2. Direct appointment is reasonably expected to result in substantial cost savings for the City.

Heard Farms has previously provided reliable and professional biosolids hauling services to the City. Continuing this successful partnership and directly awarding the contract allows the City to avoid the time and cost associated with a formal request for proposals, an effort that is unlikely to yield alternative qualified bidders. Further, contracting for sludge hauling services rather than landfill disposal saves the City money while also offering a more environmentally conscious approach. Executing a multi-year agreement with an annually established budget provides both fiscal oversight and operational continuity. This approach also avoids the additional expense and inefficiency of onboarding a new provider unfamiliar with the City's treatment processes and site-specific requirements.

Conclusion

Based on the above findings, it is therefore recommended that the City award a personal service agreement without competition to Heard, in connection with the provision of certain sludge hauling services.

***End of Findings***



## CITY COUNCIL Staff Report

Meeting Date: 6/4/2025

To: The Honorable Mayor Hodson & City Council  
Thru: Eileen Stein, City Administrator  
From: Scott Schlag, Finance Director  
Agenda: Consider Resolution No. 1434 – A Resolution Amending Policy 5 – Revenue Constraints and Fund Balance, Other Considerations – Fund Balance

---

### **Summary**

On December 5, 2018, the Canby City Council adopted a comprehensive set of Financial Policies to comply with the Government Finance Officers Association (GFOA) best practice recommendation related to financial policies to guide fiscal decisions by means of Resolution No. 1307. On May 21, 2025, the Canby City Council agreed to amend the financial policy related to the calculation percent of unrestricted fund balance from 30% and 40% to 20% and 25%.

### **Attachments**

Resolution No. 1434

### **Fiscal Impact**

None

### **Options**

1. Adopt Resolution No. 1434
2. Not adopt Resolution No. 1434 and retain Resolution No. 1307

### **Proposed Motion**

"I move to adopt Resolution No. 1434 - A Resolution Amending Policy 5 – Revenue Constraints and Fund Balance, Other Considerations – Fund Balance, repealing, in part, Resolution 1307."

**RESOLUTION NO. 1434**

**A RESOLUTION AMENDING POLICY 5 – REVENUE CONSTRAINTS AND  
FUND BALANCE, OTHER CONSIDERATIONS – FUND BALANCE**

**WHEREAS**, the City adopted a comprehensive set of Financial Policies to comply with the Government Finance Officers Association (GFOA) best practice recommendation related to financial policies to guide fiscal decisions by Resolution 1307;

**WHEREAS**, on May 21, 2025, the Canby City Council agreed to amend the fund balance policy to state 20% and 25% replacing the previous amounts of 30% and 40%; and

**WHEREAS**, the amended fund balance policy will supersede the previous fund balance financial policy.

**NOW THEREFORE, BE IT RESOLVED** by the City of Canby City Council as follows:

Resolution 1434 repeals, in part, Resolution 1307 and amends Policy 5 – Revenue Constraints and Fund Balance, Other Considerations – Fund Balance to state “the City will strive to maintain an Unrestricted fund balance between 20% and 25% of annual operating revenue. If the fund balance falls below 20% of annual operating revenue a plan will be created outlining how and when the fund balance will be replenished.”

ADOPTED this 4<sup>th</sup> day of June, 2025, by the City of Canby City Council.

---

Brian Hodson  
Mayor

ATTEST:

---

Maya Benham, CMC  
City Recorder



## CITY COUNCIL Staff Report

Meeting Date: 6/4/2025

To: The Honorable Mayor Hodson & City Council  
Thru: Eileen Stein, City Administrator  
From: Eileen Stein, City Administrator  
Agenda: Street Maintenance Fee – CPI Adjustment

---

### **Summary**

Would the Council like to add a CPI adjustment to the current Street Maintenance Fee as an interim measure. Council direction is needed before the Master Fee Resolution is brought to the Council for approval on June 18<sup>th</sup>.

### **Background**

During the April 2<sup>nd</sup> discussion of the Street Maintenance Fee proposals, there was interest expressed in increasing the Business License Fee from \$50 to \$100. This change will be shown in the Master Fee Resolution being brought to the Council for approval on June 18<sup>th</sup>.

There was also interest expressed in simply adding a consumer price index (CPI) adjustment to the existing Street Maintenance Fee structure of \$5.00 per household for residential and the \$.522 base for non-residential properties. The index used is the Engineering News Index and this year it is 2.81%. This is the same index used to determine increases in the Park Maintenance Fee. Council direction is sought on this matter before the Council is presented with the Master Fee Resolution on June 18<sup>th</sup>.

### **Attachments**

- Proposed Changes in Master Fee Resolution – Street Maintenance

### **Options**

1. Direct staff to make this change.
2. Take no action. The Business License Fee will continue to be shown as changing.

### **Fiscal Impact**

The addition of a CPI adjustment on the Street Maintenance Fee would produce roughly \$17,000 in additional revenue for a total of approximately (\$600,000 + \$17,000 =) \$617,000. Increasing the Business License Fee to \$100 would produce roughly \$72,500 in new revenue. This would bring additional revenue into the Street Fund while a more permanent rate is decided.

### **Recommended Action**

Council direction is needed.

### **Proposed Action**

By consensus, direct staff to add a CPI adjustment to the existing Street Maintenance Fee structure for approval with the Master Fee Resolution on June 18, 2025.

## Master Fee Resolution – Street Maintenance

Business License	\$100 (\$50 for Street Maintenance)
------------------	-------------------------------------

### Residential:

Residential Single Family	\$5.14 per month
---------------------------	------------------

Multi-Family Residences	\$3.43/unit per month
-------------------------	-----------------------

Detached Senior Housing and Mobile Home Parks	\$2.15/unit per month
---	-----------------------

Attached Senior Housing and Congregate Care Facilities	\$1.07/unit per month
--	-----------------------

### Non-residential:

Varies:  $\$0.544 \times \text{trip value} \times \text{units} (\$5.14 \text{ min})$  per month

## FY 24-26 Canby City Council Goals and Objectives

GOALS	#	OBJECTIVES	DEPT	YEAR	Council Priority 2024	Notes - Final Status Report
1. PROMOTE FINANCIAL STABILITY	1.1	Develop the City's policy for reserve levels to balance savings and spending to meet community needs	Finance	FY23-24	1	<b>STATUS:</b> Resolution No. 1434 on 6/4/25 agenda.
	1.2	Adjust the City's operational fees to reflect current costs of providing services.	Finance	FY23-24	2	<b>DONE.</b> Master Fee Schedule updated for FY 24-25.
	1.3	Adjust the City's System Development Charges (SDCs).	PW/Planning	FY24-25	3	<b>STATUS:</b> Work sessions are continuing on the update with Part 3 scheduled for June 4, 2025. Work will continue into FY 25-26.
	1.4	Finalize the transition of the current Urban Renewal District expenses and projects.	Finance/ Economic Development	FY24-25	4	<b>DONE.</b> Final decision on projects and expenses made in June 2024. ED program expenses will be brought into City upon expiration of URA in FY 25-26. Final URA projects selected.
	1.5	Conduct assessment on current and future City staffing needs for next three years.	HR/City Administrator/F inance	FY24-25	5	<b>STATUS:</b> Organizational needs are being identified. So far, Police (3 FTE), Code Enforcement (1 FTE), Public Works (3 FTE), Fleet (1 FTE), Procurement (1 FTE). These were to be considered during the FY 25-26 budget process but new GF revenue sources are needed first.
	1.6	Discuss options for a future Urban Renewal District to support new economic development and park opportunities in conjunction with UGB expansion.	Finance/ Economic Development	FY25-26	6	<b>STATUS:</b> Decision made to inactivate URA in FY 25-26.
	2.1	Complete the City's Housing Needs Analysis and Housing Production Strategy.	Planning	FY23-24	1	<b>STATUS:</b> The HNA was approved by City Council on July 17. The HPS is anticipated to be ready for hearing in December 2025. Staff are awaiting the results of other communities completing their HPS's to determine if financial commitments will be required. A City Council work session is planned in July to seek input from the Council before proceeding to hearings. This work will continue into FY 25-26.

2. ALIGN RESOURCES TO ADDRESS FUTURE COMMUNITY GROWTH	2.2	Recruit a hotel/motel for Canby.	Economic Development	FY23-24	2	<b>STATUS:</b> Update given to Council on March 19th. ED staff have consulted with the Planning Department as they continue to work with FCS Group on the SDC Update; met with property owners to discuss potential concept assistance; and will explore the development of City property once an Engineer of Record is brought onto the City in early May. This work will continue into FY 25-26.
	2.3	Consider updates to City Charter	City Administrator	FY24-25	3	<b>STATUS:</b> Council subcommittee identified and budget created for an election in FY 25-26. Work will continue into FY 25-26.
	2.4	Complete the City's development code update	Planning	FY25-26	4	<b>STATUS:</b> Cottage cluster and planned unit development code updates (Housing Efficiency Measures) have been adopted. The full development code update will require consultant assistance. The Budget Committee recommended a budget that has the project getting started in FY 25-26 in a phased approach. Work will continue into FY 25-26.
3. PLAN A TRANSPORTATION SYSTEM THAT EASES THE IMPACTS OF GROWTH	3.1	Complete the transportation system plan update	Planning	FY23-24/24-25	1	<b>STATUS:</b> The TSP technical work is anticipated for completion by Summer 2025 with adoption in December 2025. The TSP update and the comprehensive plan update are on the same schedule. Work will continue into FY 25-26.
	3.2	Establish a task force to determine the level of service for streets and set street maintenance fees accordingly	Public Works	FY23-24/24-25	2	<b>STATUS:</b> A review of how fees were imposed since 2021 will be completed by late summer. Meanwhile the Council is asked to give direction on a Business License fee increase and adding a CPI adjustment tot the existing fee structure. There is also a desire to revisit the exemption list. Work will continue into FY 25-26.
	3.3	Update downtown parking district master plan	Economic Development/ Police (Code Compliance)	FY24-25	3	<b>STATUS:</b> Economic Development has re-engaged with Rick Williams Consulting (RWC) to update the Parking Master Plan. RWC surveyed available parking in late April during a weekday and on a Saturday to understand the typical usage and turnover of parking spots downtown. Once the data has been analyzed, the City will hold an open house to gain input and insight from the greater Canby community. Work will continue into FY 25-26.
	3.4	Present an evaluation of County roads in current city limits and urban growth boundary. Determine cost and impact of integration into the local transportation system.	Public Works	FY 24-25	4	<b>STATUS:</b> Ivy is underway, the city's contribution is \$4.24 million. IGAs with Clackamas County for N. Pine Improvements and Storm Drainage Improvements for portion of SE 1st, SE 13th Avenue and Mulino Rd. were approved on May 21st.



	3.5	Identify County roads in future urban growth boundary and determine cost and impact of integration into the local transportation system	Public Works/ Planning	FY 25-26	5	<b>STATUS:</b> This work will be addressed during the concept planning process and will include a financial assessment. The city will be receiving \$250K from an ODOT TGM grant, covering concept planning work starting FY 25-26.
<b>4. DEVELOP A MORE ROBUST PARKS + RECREATION PROGRAM ALIGNED WITH THE PARKS MASTER PLAN</b>	4.1	Research and present funding options for parks in current city limits and UGB.	Public Works/Finance	FY23-24/24-25	1	<b>STATUS:</b> To maintain current park maintenance standards, the Parks Master Plan states we need three (3) more FTE's. Need to continue discussion of parks staffing into the future.
	4.2	Identify and plan for land acquisition for future athletic fields.	City Administrator/ Public Works/ Economic	FY23-24/24-25	2	<b>STATUS:</b> Continuing to stay in touch with COGEO, meanwhile need to discuss with CSD/return to Ackerman site as a potential location. <b>Work will continue into FY 25-26.</b>
	4.3	Consider hiring a consultant to evaluate how to provide park and recreation services in Canby (park district versus a parks department.)	City Administrator/ Public Works	FY 24-25	3	<b>STATUS:</b> Met with CAPRD Executive Director to learn background issues. Convened Canby Community Partners to discuss issues of community concern, including lack of a functioning recreation program in Canby. <b>Not budgeted in FY 25-26 but will continue discussing with Canby Community Partners.</b>
	4.4	Research and develop funding options for additional parks in the future UGB expansion areas.	Public Works/ Planning/Finance	FY 25-26	4	<b>STATUS:</b> To maintain current park maintenance standards, the Parks Master Plan states we need (3) more FTE's. Future UGB areas to be identified.
<b>5. ENHANCE ENGAGEMENT AND COMMUNICATIONS THAT REPRESENTS BROAD PERSPECTIVES</b>	5.1	Conduct a community survey on customer service and city service levels	City Administrator/ Communications/ HR	FY23-24/24-25	1	<b>STATUS:</b> The FY 25-26 budget does not allow for this to be completed, as envisioned. Will look for other ways to connect with the community such as continued outreach in UGB expansion process and gauge desired city service levels in conjunction with the finding revenue sources for the General Fund in FY 25-26.
	5.2	Create a strategy for increasing youth engagement in local government	Communications	FY24-25	2	<b>DONE.</b> Worked into Communications Plan.
	5.3	Create a strategy for increasing diversity in citizen engagement in local government	Communications	FY24-25	3	<b>DONE.</b> Worked into Communications Plan.
	5.4	Develop a communications plan for the city	Communications	FY23-24	4	<b>DONE.</b> Communications Plan approved on 4/16/25.
	5.5	Update Council policies and guidelines	Council/City Recorder	FY23-24	5	<b>STATUS:</b> City Recorder and City Attorney continuing to work with a Council subcommittee, last meeting held on May 22nd. City Attorney making final changes and will be scheduled for Council presentation soon.
	5.6	Create a Canby Civic Engagement Academy	Communications/ HR	FY24-25	6	<b>DONE:</b> Inaugural CCEA began in January 2025 with 26 participants. Will be completed in July.

#### 2024 Retreat Parking Lot

Parking lot - Develop short-term (can we purchase the prop) and long-term strategy (if can't purchase, then buy other land) of the Aquatic and Adult center. Eileen discuss with Superintendent.

Parking lot: Pedestrian/ADA access to community parks (not in MP, but in CIP and will be prioritized as part of budget process)

Parking Lot - What to do with Traverso property (not in MP, not in city limits)

Parking lot - RV Dump Site

Hybrid Work + Customer Service recommendations

#### Other Comments from 3/13/24

List Council Goals on staff reports. **DONE.**

Give Council a quarterly report on goals. **JULY, OCTOBER, JANUARY, APRIL.**

Conduct a mid-year goal review. **HOLD IN CONJUNCTION WITH GOAL SETTING.**

Include goals in bi-monthly reports. **DONE.**