

**CANBY CITY COUNCIL
REGULAR MEETING MINUTES
June 19, 2024**

PRESIDING: Brian Hodson

COUNCIL PRESENT: Scott Sasse, Traci Hensley, Daniel Stearns, James Davis (attended virtually), and Jason Padden (attended virtually).

COUNCIL ABSENT: Herman Maldonado

STAFF PRESENT: Eileen Stein, City Administrator; Maya Benham, Administrative Director/ City Recorder; Teresa Ridgley, Deputy City Recorder; Doug Kitzmiller, Police Captain, Todd Wood, Transit/Fleet/IT Director, Jerry Nelzen, Public Works Director; Monica Stone, Wastewater Treatment Plant Supervisor; Scott Schlag, Finance Director; Kevin Aguilar, HR Director; Heidi Muller, Transit Coordinator; Jamie Stickel, Economic Development Director, David Doughman, Interim City Attorney (attended virtually), and Marisa Ely, Library Director (attended virtually).

CALL TO ORDER: Mayor Hodson called the meeting to order at 7:01 p.m.

NEW EMPLOYEE INTRODUCTIONS: Monica Stone, Wastewater Treatment Plant Supervisor, introduced Steve Gering, Environmental Compliance Coordinator.

CITIZEN INPUT AND COMMUNITY ANNOUNCEMENTS: None

CONSENT AGENDA: ****Council President Hensley moved to approve the minutes of the June 5, 2024, Regular City Council Meeting; reappointments of Bruce Parker and Clifford Ash to the Bike and Pedestrian Committee with terms ending June 30, 2027; reappointment of Elizabeth Chapin to the Budget Committee with a term ending June 30, 2027; reappointments of Linda Warwick and Aimee Noss to the Library Advisory Board with terms ending June 30, 2028; reappointments of Dave Biskar, Cara Hawkins, and Terri Jones to the Parks and Recreation Committee with terms ending June 30, 2027; reappointments of DeAnna Ball-Karb, Gary Bryant, and Clint Coleman to the Traffic Safety Committee with terms ending June 30, 2027; and a second additional location brewery-public house OLCC application for Meteorite Brewery LLC. Motion was seconded by Councilor Sasse and passed 5-0.**

PUBLIC HEARINGS:

State Revenue Sharing Funds – Mayor Hodson read the hearing statement for all three public hearings.

Scott Schlag, Finance Director, presented the staff report. ORS 221.770 required the City to pass an ordinance or resolution requesting state revenue sharing money annually. A public hearing was held by the City before the Budget Committee and now before City Council to discuss proposed uses of the funds. Certification of the hearings was required and must be filed with the Oregon Department of Administrator Services before July 31, 2024, which Mr. Schlag would do after approval so the City could receive the funds for the upcoming fiscal year. Mr. Schlag clarified shared state revenue funds came primarily from taxes collected from alcohol, cigarettes, marijuana (which the City of Canby had not voted in), and 911. Jurisdictions collected the taxes and turned them over to the State, who disbursed the funds by a formula to the jurisdictions.

Mayor Hodson opened the public hearing.

There was no public testimony.

Mayor Hodson closed the public hearing.

****Council President Hensley moved to adopt Resolution 1410, A RESOLUTION DECLARING THE CITY'S ELECTION TO RECEIVE STATE REVENUE FOR FISCAL YEAR 2025. Motion was seconded by Councilor Padden and passed 5-0.**

2024-2025 FY Budget as Recommended by the Budget Committee –

Mr. Schlag presented the staff report. The City was required to adopt an annual budget by June 30th of each year and under ORS 294.453, was required to hold a public hearing. ORS 294.458 required the City to submit tax certification documents to the County Assessor by July 15th. The City passed a local option levy of \$.49 per \$1,000 of assessed property value on November 18, 2016, to fund Swim Center operations. The City levied a permanent rate of \$3.4886 per \$1,000 of assessed value. The Budget Committee met on May 16, May 23, and May 30, 2024, to review and deliberate on the FY24-25 proposed budget. Staff reviewed the proposed budget with the committee and allowed for public comment. The budget was approved with the amendments in the memo provided during and after the budget meetings. There were two resolutions due to the conflict of interest with Councilor Sasse having a family member who worked for the City. He would need to abstain from voting on Resolution 1411A.

Mayor Hodson opened the public hearing.

There was no public testimony.

Mayor Hodson closed the public hearing.

****Council President Hensley moved to adopt Resolution 1411A, A RESOLUTION MAKING APPROPRIATIONS FOR THE 2025 FISCAL YEAR IN THE GENERAL FUND (PLANNING AND BUILDING PROGRAMS), THE STREET FUND, AND THE SEWER FUND. Motion was seconded by Councilor Davis and passed 4-0-1 with Councilor Sasse abstaining.**

****Council President Hensley moved to adopt Resolution 1411, A RESOLUTION ADOPTING THE BUDGET, MAKING APPROPRIATIONS, AND IMPOSING AND CATEGORIZING TAXES FOR THE 2025 FISCAL YEAR. Motion was seconded by Councilor Sasse and passed 5-0.**

Setting Fees for Services (Master Fee Schedule) –

Mr. Schlag presented the staff report. The Master Fee Schedule required an annual review which had been completed by each City department. Staff proposed changes effective July 1, 2024. Along with Resolution 1409 were three exhibits. Exhibit A summarized the fee changes. Exhibit B was a comparison of current fees versus proposed fees. Exhibit C reflected the new schedule effective if all changes were adopted. He highlighted the changes to the library, utility, park, main street, public works, and SDC fees.

Councilor Padden did not think the fees were high enough to capture the cost of services.

Councilor Stearns asked about the changes to the library fees.

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Marisa Ely, Library Director, explained only one specific type of fee/fine changed. Though fines were a small amount, they helped offset some costs. Other library districts had gone fine free, and they were trying to do the same. The first step was to change the late fee from \$.25 to \$.10.

Councilor Stearns asked why fees were not increasing and capturing the cost of services due to inflation and the Consumer Price Index. Eileen Stein, City Administrator, said staff would be looking at the fees this next year to see if they should be charging the maximum amount. A Street Maintenance Task Force would be looking at the Street Maintenance Fee before it was changed.

Councilor Padden said there had been discussion about fees capturing the cost of services provided but was derailed with the changes in City administration over the last few years. Work had been done to increase fees over time to bring them closer to cost recovery and comparison with other cities.

Councilor Stearns suggested predictable increases every year that everyone expected instead of a large increase after many years of no increases.

Mayor Hodson opened the public hearing.

There was no public testimony.

Mayor Hodson closed the public hearing.

Council President Hensley would be voting no as she did not agree with several of the changes.

There was discussion regarding breaking some of the fees out from the resolution and making changes to them individually.

Ms. Ely clarified only one fee changed to match the others. The rest remained the same. The goal was to get rid of fees/fines and establish a new tax district at a different rate.

****Councilor Padden moved to adopt Resolution 1409, A RESOLUTION OF THE CITY COUNCIL OF CANBY, OREGON, SETTING FEES FOR SERVICES; AND REPEALING RESOLUTION NO. 1389. Motion was seconded by Councilor Davis and passed 4-1 with Council President Hensley opposed.**

ORDINANCES:

Ordinance 1623 – ****Councilor Padden moved to adopt Ordinance 1623, AN ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR TO EXECUTE A CONTRACT WITH POLAR SYSTEMS, INC., OF WEST LINN, OREGON, TO PROVIDE MANAGED IT SERVICES FOR THE CITY OF CANBY. Motion was seconded by Councilor Stearns and passed 4-1 by roll call vote with Councilor Davis opposed.**

Ordinance 1624 – Doug Kitzmiller, Police Captain, explained the cost covered new tasers, cartridges, training, live deployment, software, charging docks, batteries, target system for training, and replacement during the five-year period.

Mayor Hodson asked about the expected life of the tasers.

Captain Kitzmiller answered the product would be backed for the five-year period.

****Council President Hensley moved to adopt Ordinance 1624, AN ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR TO ENTER INTO A CONTRACT WITH AXON ENTERPRISES IN THE AMOUNT OF \$140,965.04 FOR THE PURCHASE OF TASERS, EQUIPMENT, SOFTWARE, AND SERVICES. Motion was seconded by Councilor Davis and passed 5-0 by roll call vote.**

Ordinance 1625 – Kevin Aguilar, HR Director, said this item was an annual renewal of the City's liability insurance with CIS.

Mayor Hodson asked about the increased amount.

Mr. Aguilar said they had a blended rate with law enforcement which went up by 7.4%, and property went up by 16.5%.

Councilor Stearns asked about the limits of the policy and if it covered liability for lawsuits.

Mr. Aguilar responded that each one had a different line item for automobile and property, but it more than covered the needs of the City. It did cover lawsuit liability.

****Councilor Padden moved to approve Ordinance 1625, AN ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR TO EXPEND PAYMENT TO CITY COUNTY INSURANCE SERVICES (CIS) TO NOT EXCEED \$500,000 FOR LIABILITY INSURANCE COVERAGE FOR FISCAL YEAR 2024/2025 to come up for second reading on July 17, 2024. Motion was seconded by Councilor Sasse and passed 5-0 on first reading.**

Ordinance 1626 – Mr. Aguilar said this item was for workers comp coverage with SAIF. An audit was done last August to determine if there would be any modified rates or increases. The City had been responsible, and the rate was comparable to last year.

Council President Hensley asked if the amount included workers comp for volunteers.

Mr. Aguilar responded it did, but there was a separate resolution for the volunteers.

Councilor Stearns asked if SAIF was the only workers comp carrier for City employees.

Mr. Aguilar responded SAIF was the go-to carrier for the State of Oregon and public employers.

****Councilor Padden moved to approve Ordinance 1626, AN ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR TO EXPEND PAYMENT TO SAIF CORPORATION IN THE AMOUNT NOT TO EXCEED \$114,493.71 FOR WORKERS COMP COVERAGE FOR FISCAL**

YEAR 2024/2025 to come up for second reading on July 17, 2024. Motion was seconded by Councilor Sasse and passed 5-0 on first reading.

Resolution 1407 – Jerry Nelzen, Public Works Director, stated this property was next to Dragonberry and already had dry lines from when the Walnut Street extension was put in. The business was outside of the City limits and their septic system failed. Clackamas County required them to connect if the sewer line was readily available. They had agreed to annex in the next two years and the City would start collecting sewer bills on the dry line.

Council President Hensley asked how the agreement to annex would be enforced.

Mr. Nelzen responded it was an agreement the owner worked out with the Planning Department.

****Council President Hensley moved to approve Resolution 1407, A RESOLUTION AUTHORIZING THE EXTENSION OF MUNICIPAL SEWER SERVICE TO 267 S WALNUT STREET, TAX LOT 31E34 01900, LOCATED OUTSIDE THE CANBY CITY LIMITS, PURSUANT TO THE URGAN GROWN MANAGEMENT AGREEMENT BETWEEN CLACKAMAS COUNTY AND THE CITY OF CANBY. Motion was seconded by Councilor Padden and passed 5-0.**

Resolution 1408 – Mr. Schlag said there was an additional amount for the General Fund needed to cover the appropriation of Building Fund personnel costs, based on management's Fiscal Year 2023-2024 personnel budget projections. He recommended moving money from the contingency fund to the building fund to make sure they didn't over expend. Also, the Library Fund had an interfund loan with an interest-bearing component that needed to be repaid in fiscal year 2024. The interest component was not appropriated in the original adopted budget. This would allow the money to be appropriated in the budget to repay the Cemetery Perpetual Care Fund.

Councilor Padden asked how much interest the Library had to pay back. Mr. Schlag answered just under \$14,000.

Councilor Padden asked if it was possible to repay it using reserves instead of the Library Fund. Mr. Schlag answered no, however it could be changed in next year's budget.

****Councilor Padden moved to approve Resolution 1408, A RESOLUTION AUTHORIZING THE TRANSFER OF APPROPRIATED FUNDS WITHIN THE FY23-24 GENERAL AND LIBRARY FUNDS BUDGET. Motion was seconded by Councilor Sasse and passed 5-0.**

Resolution 1412 – Mr. Schlag said this was the same thing as in previous years for an interfund loan of \$500,000 to cover the first six months of Library operations which would be repaid in fiscal year 2025 with interest bearing at the rate earned by the Oregon Local Government Investment Pool.

Councilor Padden asked if Council had the option to cover the interest from reserves instead of the Library Fund. Mr. Schlag responded yes.

Councilor Padden suggested moving forward with the repayment from reserves or some other fund instead of the Library Fund so the library could keep the money for services but still get reimbursement to the Cemetery Perpetual Care Fund.

It was determined the resolution could be approved as it was, and where the money came from could be decided later. Ms. Stein stated determining where repayment was made could be done at a future Work Session.

Councilor Stearns noted they were thinking about approving more money for the library when the library was asking for less money from other sources.

****Council President Hensley moved to approve Resolution 1412, A RESOLUTION AUTHORIZING AN INTERFUND LOAN FROM THE CEMETARY PERPETUAL CARE FUND TO THE LIBRARY FUND IN THE AMOUNT OF \$500,000 AND AUTHORIZING REPAYMENT OF THE INTERFUND LOAN IN FISCAL YEAR 2024-2025. Motion was seconded by Councilor Davis and passed 5-0.**

Resolution 1413 – Mr. Aguilar said this resolution covered workers compensation for volunteers across the state and was built into the City's rate with SAIF Corporation.

Councilor Stearns asked if this coverage protected the City from lawsuits. David Doughman, City Attorney, said it did unless there was malfeasance by the employer.

****Council President Hensley moved to approve Resolution 1413, A RESOLUTION EXTENDING WORKERS COMPENSATION COVERAGE TO VOLUNTEERS OF THE CITY OF CANBY AND REPEALING RESOLUTION 1390. Motion was seconded by Councilor Sasse and passed 5-0.**

OLD BUSINESS: City Attorney Recruitment – Councilor Padden asked when the next graph chart showing budgeted and actuals for quarterly expenses for City Attorney fees would be available. Ms. Stein said it would be available at the meeting in July.

MAYOR'S BUSINESS: Mayor Hodson said he and Council President Hensley sat at the City Complaint Desk at first Thursday. A gentleman requested the City develop more 55 and older apartments. Tomorrow was another Comprehensive Plan meeting at Baker Prairie Middle School at 6 p.m. Roads and transit would be the next items to cover at that meeting. Clackamas County Coordinating Committee (C4) had their annual retreat last weekend. Items covered at the retreat were housing and meeting Governor Kotek's goal of 36,000 dwellings per year across the state. The Governor's office was working on metrics and a process of what that would look like. Transportation funding was also discussed. For the 2025 legislative session, there was discussion of another transportation funding package for projects including the Abernathy Bridge stretch to Stafford on I-205, Rose Quarter Interstate Bridge, and Boones Bridge. He would bring back potential adjustments for funding of these projects if tolling was not on the table. They also finished setting the work plan for the year ahead. He asked Jamie Stickel, Economic Development Director, where people were able to sign up for floats or volunteering for the Independence Day celebration.

Ms. Stickel shared volunteers were still needed. It was not too late to sign up to have a float in the parade. Fireworks would take place at Baker Prairie Middle School.

Mayor Hodson announced there would be a pancake feed put on by the Canby Historical Society, a classic car show, and the parade. He noted staff and Council were taking appropriate actions on the recent harassment complaints made about a Councilor.

Mr. Doughman confirmed the Council was acting consistently with how they had been advised on this matter.

COUNCILOR COMMENTS & LIAISON REPORTS:

Councilor Davis reported on the Parks and Recreation Advisory Board, where they discussed Auburn Farms final design and estimated start date of March 2025, Legacy Park Exercise Court, Maple Street Park turf infield which would be brown, and park bench program. There were two vacancies on the Parks and Recreation Advisory Board. The Board would miss Lisa Potter and mentioned the unexpected death of member Barbara Karmel. He thanked Ms. Stickel for her assistance in getting a grant for the fireworks display. Fireworks would happen this year as well as next year based on donations that had come in. The Chamber received a request from businesses along Highway 99E to determine the loss of business that had occurred due to the construction project. He thought the construction company could do a better job minimizing street closures so that businesses weren't being impacted. Numerous businesses along Highway 99E had felt the impact.

Mayor Hodson said Mr. Nelzen reached out to ODOT to follow up on some of the construction pieces because the crews were going to go to six days a week and working overnight to get the project done. He had not seen much work being done at night or on a sixth day. He encouraged citizens to buy locally before going to Amazon or out of town.

Councilor Padden attended First Thursday also. He was signed up to work the table in October. He reported on the Planning Commission meeting where they had finalized recommendations to forward to City Council regarding the Housing Needs Analysis. He also attended the Canby Utility Board meeting where liability limits were adopted for people who were visiting or utilizing Canby Utility property, updated their Fire Mitigation Plan, and they were moving forward with the plan to build a new Water Treatment Plant. He also attended the landowners' meeting as part of the Comprehensive Plan update with robust opinions on what should or should not be done to bring land into the Urban Growth Boundary. There were a lot of questions about taxation, what could be built, and whether the land would be annexed into the City. He met with Public Works about signs honoring Frank Cutsforth during the Cutsforth Cruisin'. He took on the role of Projects and Programs Chair for the Willamette Falls & Landings Heritage Area Coalition and had been elevated to the Executive Board as a member at large. He would attend the Canby Pride event at Wait Park. He asked what was needed to be part of the parade. Ms. Stickel responded there was an application and a \$25 fee if he was campaigning. There was no fee if he was in the parade as a City Councilor.

Councilor Sasse attended the Library Board meeting where they reviewed the strategic plan and priorities created by Ms. Ely. Three new employees were hired, they were updating their donation policies and process, updating their whiteboard with summer events held at Wait Park, and were holding a patio tour the weekend of the 29th with five homes involved.

Councilor Stearns said he was uncomfortable voting for the fee schedule tonight and suggested a Work Session be scheduled to go over the fees.

Council President Hensley attended the C4 Retreat as well. She reminded everyone about the Comp Plan meeting. First Thursday was fun and she looked forward to doing it again. She attended the Clackamas Cities Association Dinner with Ms. Stein. The Traffic Safety Commission was word smithing the criteria for the speed limit lowering and working with the Planning Department.

CITY ADMINISTRATOR'S BUSINESS: Ms. Stein would be attending the OCMA Summer Conference next week, and Chief Tro would be acting in her capacity while she was gone. She spent time thinking about Council Goals and how to report back to Council in a quarterly update. The Council Goals would also be worked into the bi-monthly staff reports and department evaluations. She would start providing a monthly financial report also.

CITIZEN INPUT: None.

ACTION REVIEW:

1. Approved the consent agenda.
2. Adopted Ordinances 1623 and 1624.
3. Approved Ordinances 1625 and 1626 to a second reading on July 17, 2024.
4. Approved Resolutions 1407, 1408, 1409, 1410, 1411, 1411a, 1412, and 1413.

****Council President Hensley moved to go into Executive Session pursuant to ORS 192.660(2)(e) Real Property and ORS 192.660(2)(f) Exempt Records. Motion was seconded by Councilor Davis and passed 5-0.**

Mayor Hodson read the Executive Session statement and recessed the Regular Meeting at 9:15 p.m.

Mayor Hodson reconvened the Regular Meeting at 10:24 p.m. and immediately adjourned.



Maya Benham, CMC
City Recorder



Brian Hodson
Mayor

Assisted with Preparation of Minutes - Susan Wood