

Jaime Reed

Subject: Comments on Agenda Item 7a, City Commission meeting May 20th, 2015

From: James Nicita [<mailto:james.nicita@gmail.com>]

Sent: Monday, May 18, 2015 11:52 PM

To: Carol Pauli; Rocky Smith, Jr.; rocky smith; Brian Shaw; Dan Holladay

Cc: David Frasher; James Band; Kattie Riggs; Bill Kabeiseman

Subject: Comments on Agenda Item 7a, City Commission meeting May 20th, 2015

I write to comment on Agenda Item 7a of the Oregon City Commission meeting for May, 20th, 2015: “Second Reading of Ordinance No. 15-1005, An Ordinance Amending the Oregon City Municipal Code to Include Chapter 13.36-Community Safety Advancement Fee.” I respectfully request that these e-mail comments, including the attachments, be included in the record for this agenda item.

On April 8th, 2015, The Oregon City News published an editorial I wrote arguing that in order to comply with Section 57 of the Oregon City Charter, the City of Oregon City needed to refer the Community Safety Advancement Fee (CSAF) to a public vote. (Ex. A.) Because of an editorial error by the Oregon City News in failing to reproduce intended italics in the print version, the link to the corrected website version is provided here:

<http://www.pamplinmedia.com/cr/28-opinion/255944-126297-oregon-city-police-department-fee-should-go-to-a-public-vote>

The basis for the argument was a passage on the City’s website affirmatively linking the use of CSAF funds to debt service on a general obligation bond. (Ex. B.)

After that story appeared, the language on website changed suggesting a more attenuated linkage between the CSAF and a general obligation bond: namely that a general obligation bond was a possibility for use of CSAF funds, but was not the specific intent of the CSAF funds. (Ex. C.)

Since the change in the City’s website language on the CSAF, I have seen two more communications which again specifically link the CSAF to the issuance of a general obligation bond. First: a circular on cardstock that has been distributed through the city. (Ex. D.) Second: an article in the most recent issue of the magazine of the Oregon City Chamber of Commerce that appears to be sourced from information provided by the City of Oregon City. (Ex. E.)

The balance of the evidence indicates that the City has an affirmative and specific intention to use the CSAF money for debt service on a general obligation bond. For this reason, the editorial's argument Charter Section 57 requires that the voters must approve the CSAF remains valid.

An alternative means to ensure compliance with Section 57 likely exists also: namely, to amend the proposed CSAF ordinance to prohibit explicitly the use of CSAF funds for debt service on a general obligation bonds. Ex. F provides proposed language for such an amendment.

This would not prevent the later issuance of a general obligation bond. It would simply mean that there would be two distinct and legally segregated funds: one generated from the CSAF, which standing alone would not require a public vote; and the other generated by a voter-approved, Section 57-compliant revenue stream for debt service on a general obligation bond.

The amount of money would likely be similar, if not the same. Furthermore, because of the accumulation of cash over the course of time from the CSAF, the amount of money that would have to be raised through a general obligation bond would be reduced significantly, making the bond more palatable politically with the voters.

Thank you for your consideration of these comments.

Oregon City Police Department fee should go to a public vote

Created on Wednesday, 08 April 2015 01:00 | Written by [James Nicita](#) | 

[0 Comments](#)

Oregon City needs a new Police Station.

There is no doubt about that. The current cramped, worn facility on Warner-Milne Road has drifted well past obsolescence, as well-documented recently by the Oregon City News in its March 11 front-page article, “OCPD’s new police station to honor Libke.” And, as the foregoing headline helps remind us, with its reference to the tragedy of Officer Robert Libke, our police officers deserve to work in a new, first-rate facility, because they risk their lives for us on a daily basis.

My most intense experience of pride as a citizen of Oregon City occurred listening to Chief Jim Band’s remarkable, moving eulogy of Officer Libke in the Veterans Memorial Coliseum in Portland. Earlier in the service, our Oregon City elected officials had, as a group, entered the Coliseum as part of the procession — which included police officers from all over the nation — and sat together in honor, in a prominent spot in the audience.

Taking in that scene from the stands again reinforced for me that, especially when compared to countless other cities that have been in the news lately, Oregon City has deeply-ingrained, mutually-supportive culture of trust between the police, elected officials and the community. The new police station holds the promise of becoming the bricks-and-mortar expression of that relationship.

Another deeply-ingrained culture in Oregon City has a bearing on the effort to raise the funds for the new police station. Over the years, Oregon City citizens — both through their elected officials and directly through the initiative process — have progressively assumed for themselves a direct right to vote on municipal decisions that effect both our quality of life and our pocketbooks. For example, City Charter amendments and city ordinances have required citywide votes for selling off designated park property, incurring floating indebtedness beyond \$25,000, raising water rates, approving annexations and issuing urban-renewal bonds.

Another of these City Charter amendments, pertaining to general obligation bonds, relates directly to funding our new police station. In the May 1996 election, citizens calling themselves “People Against Rate Enhancement” (PARE), alarmed at the City Commission’s implementing a 63 percent increase in water rates to pay for water infrastructure improvements, petitioned to get two companion measures on the ballot: one for a water rate rollback to 1994 levels, then a 3 percent cap on rate hikes per year without a public vote; and a second to require a public vote on issuing general obligation bonds and revenue bonds for capital improvements.

The obvious intent of the latter measure was to give citizens a vote on whether they assented to getting hit in the pocketbook with the taxes, fees or other charges that would pay off the debt issued by the general obligation bond, or assume the risk of paying off a revenue bond if a project did not generate sufficient revenue for debt service.

Oregon City Commission then put a competing bond measure on the ballot, nearly identical to the first, but also allowing the city to refinance existing and future bonds at a lower interest rate, without the necessity of a vote. While both competing measures passed, the city’s version received more votes than PARE’s version, so only it became part of the charter. Now Section 57, its relevant provision reads (with some language italicized for emphasis):

“Except as herein provided, upon passage of this amendment to the City Charter, no general obligation bonds or revenue bonds *of any nature* shall be issued or sold by the City of Oregon City without a vote of the people. The Commission may not adopt or pass any ordinance or resolution providing for the issuance or sale of general obligation bonds or revenue bonds to be an emergency *nor use any other means to prevent their referral to the voters.*”

The city has formulated a funding mechanism for financing the new police station: the “Community Safety Advancement Fund,” or C-SAF. According to the city’s website, Oregon City would raise utility bills by \$5.50 per month:

“This temporary fee would allow us to save money for a couple years before going to the public for bond permission. *The service on the bond would be paid by this already established fee.*” (Emphasis added.)

There are many ways to structure debt. The C-SAF essentially front-loads the debt service component of a general obligation bond. So structured, this general obligation bond nevertheless remains a bond “of any nature.” It therefore falls within Section 57 of the charter, and imposing the utility fee component of the bond without a vote

would be a “means to prevent [the general obligation bond’s] referral to the voters,” who worked precisely for the right to an affirmative vote before getting hit in the pocketbook for the taxes or fees associated with a general obligation bond.

One of the co-chairs of PARE in 1996 was none other than Oregon City’s current mayor, Dan Holladay. It would be no small irony if he became the very politician to evade the requirements of Section 57 and use “any other means” to prevent the referral of the most important component of a general obligation bond, the funding and associated hit on citizens’ pocketbooks, to the voters.

The City Commission should take a different path, and take the request for a general obligation bond, including the bond’s C-SAF component, to an up front vote.

Of course, putting the police station funding to the required vote does not guarantee that the measure would pass. For example, in 2002 Oregon City residents voted down a proposed five-year tax for police operations funding. Oregon City needs to make its case. It has already made one very good case: that the C-SAF as structured would cost citizens less: \$5.50 a month as opposed to \$10 a month for a conventionally structured property-tax bond. Chief Band has put a lot of thought into this significant common enterprise: his leadership would be another case for a “yes” vote.

Making the citizens part of the decision would be a wonderful way to strengthen and enhance the community’s strong relationship with its police. And in this instance, the City Charter requires it.

Oregon City resident James Nicita is a former City Commissioner.

[JW DISQUS BACK TO TOP](#)

OCPD fee should go to a public vote

OC News, 4-8-2015 p. A5

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COMMUNITY

SOAPBOX

By James Nicita



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Oregon City resident James Nicita is a former City Commissioner.

Oregon City Police Department



Community Safety Advancement Fund



C-SAF is a utility fee being considered by the City Commission that would pay for a new public safety facility and sunset once the building is paid for. The project will be completed at the recently purchased Mt. Pleasant School site.



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Why a New Facility What Will it Look Like What About the Mt. Pleasant Building
 Funding the Project

FAIR

A conventional bond puts the burden of a project solely on property owners. Because police services are used by the entire community, a utility fee requires everybody pay a little rather than property owners paying it all. C-SAF would raise each utility bill \$5.50/month, where a bond would cost the average homeowner \$10/month.

RESPONSIBLE

We simply cannot build our facility without a new revenue source. This temporary fee would allow us to save money for a couple years before going to the public for bond permission. The service on the bond would be paid by this already established fee. The project cost will also be offset by the future sale of the current police property.

TOGETHER

Our vision is for this to be the cornerstone of public safety in our community. This site will hold the Oregon City Municipal Court, Code Enforcement, a large public meeting space, a modern and efficient Emergency Operations Center and a safe, accessible Police Department designed to deliver excellent customer service to our community.

[Community](#)



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RESPONSIBLE

We simply cannot build our facility without a new revenue source. This temporary fee would allow us to save money to eventually plan and construct a building. The fee would allow other options for the City to consider in the future. For instance, whether or not the fee could be used to pay the debt service on a bond. The project cost will be offset by the future sale of the current police property.

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Community Safety Advancement Fee

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<p>Q: How is the money generated? A: We are looking at two options: A 20-year option would cost each payer \$5.50 per month (\$66 annually). A 15-year option would cost each payer \$6.50 per month (\$78 annually). The 15-year option saves tax payers about 2.75 million dollars in interest.</p>	<p>Q: Do other cities do this? A: Yes. The City of Medford has a public safety utility fee of \$4.60/month. A portion of that fee is dedicated to a new public safety facility. The City of Gresham recently implemented a fee of \$7.50/month to pay for more police officers.</p>	<p>Q: Why not use the current facility? A: There is a State mandate that all essential needs facilities meet certain seismic standards by the year 2022. Our current facility does not meet these standards. Regardless of this requirement, there is a long list of needs for a new facility. These include safety, accessibility for the community, and our inability to meet the demands of a growing city. The reasons are far too many to list here. For more information about CSAF, an explanation of the facility needs, and renderings of the proposed facility, visit the Oregon City Police Department's website.</p>
<p>Q: Why not just use property taxes? A: The average home in Oregon City is valued at \$268,000. This project would cost the average Oregon City homeowner approximately \$10 per month (\$120 annually). Because the Police Department services many more people than just property owners, it makes sense to have them share the cost of this important project.</p>	<p>Q: How will the money be spent? A: The fee will be collected for a couple of years and put into a building fund. We would next seek permission to use this funding source to pay the debt service on the building. Once the loan is paid off, the fee will go away.</p>	

MORE INFO AT:
www.orcity.org/police

You Should Be In the Know

Community Safety Advancement Fund (C-SAF)

City leaders develop plans for new Public Safety Facility



Artists rendering of the proposed Oregon City Police Department "Robert Libke Public Safety Building" named after fallen police officer Robert Libke.

What is a C-SAF and what does it mean?

C-SAF is a utility fee being considered by the City Commission that will pay for a new public safety facility and sunset once the building is paid for. The project will be completed at the recently purchased Mt. Pleasant School site. In May 2015, the City Commission will consider whether or not to enact this new fee. Should it be approved, local residents and businesses will see the fees as part of their utility bills in July of this year. Since the beginning of 2015, Police Chief Jim Band and other staff from the Oregon City Police Department (OCPD) have been engaging with community groups throughout Oregon City to share information about C-SAF.

Why a new facility?

There is a federal government requirement for essential needs facilities (the

police department) to meet certain seismic standards by the year 2022, just seven years away. A public safety building is a very important tool in how police perform their duties in serving and protecting the public. The current facility, located at 320 Warner Milne Road, doesn't allow our law enforcement professionals to provide the top-notch customer service they desire. The new facility will be designed to create a safe, user-friendly environment that is open and accessible to the community.

The current police facility was built in the late 1960's and has been home to several entities since then. It was originally the welfare office in Oregon City. The building was eventually purchased by the City of Oregon City as a temporary space which held City Hall, the Police Department, a Dispatch Center and more. About five years ago, City Hall moved out and the Police Department, Code Enforcement and Municipal Court are all that remain.

Due to permitting issues, the space that was vacated by city hall cannot be upgraded for Police Department operations because it doesn't meet Homeland Security seismic requirements. Beyond the fact that Oregon City Police has outgrown this facility, the larger issue is that the building was never designed to be a police department. This presents several problem like -- the building is a safety issue not only to the community, but also, to police officers, court staff, the municipal judge, code enforcement and records staff.

Below are several inadequacies of the current facility that will be corrected in the new facility:

- There is **confusion in the lobby** in that customers may be waiting for assistance for needs ranging from renewing their alarm permit to register as a sex offender.

- Our OCPD officers enter, exit, transfer evidence and clean their patrol cars in an

Continued on Page 7

unsecured officer parking lot. More and more law enforcement officers are being targeted for violence; those who protect us, deserve protection through a secure parking lot.

■ As the population of Oregon City has grown, so has the number of sworn police officers and non-sworn employees. There is **no longer any room for growth** in the current facility for new officers, especially since they cannot even secure a building permit due to seismic inadequacies!

■ When crimes occur, the **public expects timely response on investigations** and major incidents; our police force wants this too. Because space is so scarce, they are forced to use three double-wide trailers in the back of the property for their detective division, patrol sergeants, and some storage. Three double-wide trailers do not allow for efficient use of time or resources.

■ The **current courtroom was never designed to be a courtroom.** Initially used as City Council Chambers, it now acts solely as the courtroom. Oftentimes it can't accommodate everyone on trial days; bailiffs are often forced to conduct searches within the courtroom itself; and

jury members are sent to a storage trailer to conduct deliberations.

What will it look like?

Initially when the idea of relocating the Oregon City Police Department came up, the opportunity to purchase the recently closed Mt. Pleasant School site arose. The site sits on 8.3 acres and is centrally located within the city, making it an ideal place for emergency response. An architectural firm did a thorough analysis of the building and determined it would not be suitable for a number of reasons. These include structural/seismic issues, lead paint, asbestos, inefficiencies and the fact that the school was designed to be classrooms, not a police facility.

After review of several conceptual plans, Oregon City decided on a design that gave the police department a strong presence on Linn Avenue and allowed for future growth of the city and the creation of a civic center on the site. Building materials would represent the Northwest and would be designed for northwest weather. Additionally, the design is cost-effective and long lasting. It will incorporate security and safety

features, open/park space for the public and historical/educational significance of the Mt. Pleasant site.

How will Oregon City fund the project?

We would not be able to build the needed police facility without a new source of revenue; in other words, there is not enough money in the city's budget to build the facility outright. Rather than increasing the property tax burden on home and commercial building owners, the city chose another method being used by other cities. Oregon City is looking at two different utility fee options. The first is a 20-year option that would cost each utility payer \$5.50 per month (\$66 annually). The second would be a 15-year option that would cost each payer slightly more, \$6.50 per month (\$78 annually) but would reduce the pay-off time by five years and would save tax payers about 2.75 million dollars in interest. Businesses would pay their share toward the C-SAF via their annual business license permit fee.

The plan would be to collect the fee for a couple of years and put it into a building fund. The next step is to seek permission from the public to use this funding source to pay the debt service on the building. Once the loan is paid off, the fee goes away.

For more information, go to <http://www.orcity.org/police/funding-project>.

"This \$15 million building plan would include the police department, Municipal Court, Code Enforcement, a large public meeting space and a modern Emergency Operations Center."



RENDERING COURTESY: SCOTT MOORE

OCPD's police vehicles, in a concept for a new police station, could be housed in a secure parking lot, near the back entrance for registering sex offenders and away from the public plaza on Linn Avenue.

13.36.080 – Use of Moneys Collected By the Community Safety Advancement Fee.

- a. All fees collected by the city shall be accounted for separately and may be used only for funding the administration, maintenance, repair, improvement, renewal, construction, replacement and/or reconstruction of public safety facilities of the City. It shall not be necessary that the operations and maintenance expenditures from the Fund specifically relate to any particular property from which the fees for said purposes were collected. The fees paid and collected by virtue of this ordinance shall not be used for general or other governmental or proprietary purposes of the City, except to pay for the equitable share of the cost of accounting, management and government which is attributable to the Community Safety Advancement Fee.

- b. No moneys collected by the Community Safety Advancement Fee shall be used to pay the debt service of any general obligation or revenue bond, of any nature.