



City of Oregon City

625 Center Street
Oregon City, OR 97045
503-657-0891

Meeting Minutes - Final

City Commission

Dan Holladay, Mayor
Rocky Smith, Jr., Commission President
Brian Shaw and Renate Mengelberg

Wednesday, July 20, 2016

7:00 PM

Commission Chambers

REVISED

6:00 PM SPECIAL WORK SESSION OF THE CITY COMMISSION

1. Convene Meeting and Roll Call

Mayor Holladay called the Special Work Session to order at 6:26 PM.

Present: 4 - Commissioner Brian Shaw, Commissioner Rocky Smith, Mayor Dan Holladay and Commissioner Renate Mengelberg

Staffers: 7 - City Attorney William Kabeiseman, City Manager Tony Konkol, Public Works Director John Lewis, City Recorder Kattie Riggs, Economic Development Manager Eric Underwood, Finance Director Wyatt Parno and Community Development Director Laura Terway

2. Discussion Items

2a. Oregon City's Participation in the Regional Wastewater Treatment Capacity Advisory Committee

Tony Konkol, City Manager, said at the last Commission meeting there was a request to have a discussion on the City's involvement in the Regional Wastewater Treatment Capacity Advisory Committee.

Mayor Holladay said the Committee thought they were in the process of looking for a solution to the capacity issue at Tri-City, but they were not getting the full picture. They had looked into the new technology of the omni processor which was a less expensive option, but the County Commission and staff were opposed to anything other than the path they wanted to take. When a presentation was given on the omni processor, the County staff sabotaged it by having environmental groups come to discredit what was being presented. At the last meeting they voted to take out the omni processor idea and go with the digesters. It was clear to him that the City was not going to have an effect on what the County was going to do and thought it was a waste of time to continue to go to the meetings.

Commissioner Smith said the City had not had any affect since the Committee had been created. He thought someone should still go to the meetings to keep track of what was going on. The faster the governance issue was resolved the better.

Commissioner Shaw thought they needed to represent the rate payers at the meetings. Commissioner Mengelberg agreed the City needed to protect its own interests and they needed to be at the table.

Commissioner Smith would start attending the meetings. Mayor Holladay would attend the Tri-City Advisory Committee meetings.

2b. Clackamas County Fuel Tax Measure for the November 2016 Ballot

Mr. Konkol reviewed the proposed County gas tax and the request from the County that cities in the County show support for the measure that would be on the November ballot. The County would collect the gas tax and 60% would go to the County for road improvements and 40% would go to the cities based on population. Only the cities that approved the resolution and Intergovernmental Agreement (IGA) would receive the share of the revenue. For Oregon City, it would be around \$590,000 per year for seven years.

Commissioner Mengelberg was concerned about the measure affecting other measures on the ballot. She had researched this and in the past, voters were inclined to be generous and could support multiple measures at once. She had also researched gas prices and currently gas prices were lower and people could afford a gas tax now more than before. She discussed economic statistics including the unemployment rate in Oregon City which was 4% and that employers in Clackamas County had difficulty filling a number of jobs. In general things were a lot better than they had been in a long time. The Oregon Employment Department said that nearly 24,000 new jobs were forecasted to come to Clackamas County from 2014 to 2024. She thought now was the time to pass a gas tax.

Commissioner Shaw had been concerned about the bond measure for the police department being on the same ballot as the gas tax. He was in favor as the City could use the funds for roads.

Commissioner Smith was also concerned about the police department measure and that they were basing this off of the County's numbers which might not be accurate.

Mayor Holladay said this was not about the money, but the difference between cooperation and coercion. The County had not mentioned before that they would be requiring a resolution be passed and an IGA be signed to participate. He thought it showed disrespect to the City. He would be discussing this issue with other Mayors and suggested he come back with the information from that meeting before a decision was made.

There was consensus to put this issue on the next Commission meeting agenda.

3. Adjournment

Mayor Holladay adjourned the Work Session at 7:00 PM.

7:00 PM REGULAR MEETING OF THE CITY COMMISSION

1. Convene Regular Meeting and Roll Call

Mayor Holladay called the meeting to order at 7:11 PM.

Present: 4 - Commissioner Brian Shaw, Commissioner Rocky Smith, Mayor Dan Holladay and Commissioner Renate Mengelberg

Staffers: 12 - City Attorney William Kabeiseman, City Manager Tony Konkol, Public Works Director John Lewis, City Recorder Kattie Riggs, Economic Development Manager Eric Underwood, Finance Director Wyatt Parno, Community Development Director Laura Terway, Interim Community Services Director Denise Conrad, Police Chief and Public Safety Director James Band, Human Resources Director Jim Loeffler, Library Director Maureen Cole and Assistant Planner Kelly Reid

2. Flag Salute

3. Ceremonies, Proclamations, and Presentations

3a. Oath of Office, Oregon City Police Department, for Captain Shaun Davis, Sergeant David Edwins, and Officer Nicholas Taresh

Mayor Holladay thanked all of the City's police officers for their work. Jim Band, Police Chief, introduced the officers to be sworn in.

Mayor Holladay administered the Oath of Office to Captain Shaun Davis, Sergeant David Edwins, and Officer Nicholas Taresh.

3b. Parks and Recreation Advisory Committee (PRAC) Annual Report

Shawn Dachtler and Joyce Gifford presented the Parks and Recreation Advisory Committee Annual Report. They highlighted the projects that had been done and the 2015/16 goals.

Mike Mitchell, president of the Oregon City Parks Foundation, discussed the formation of the Foundation and how they were raising public awareness of the Foundation. They had a Facebook page and website and he explained at what parks the Foundation would be volunteering.

3c. Announcement of Mayoral Appointment of Nancy Broshot to the Natural Resources Committee to fill the current at-large vacancy. Term: July 20, 2016 - December 31, 2017.

Mayor Holladay announced the appointment of Nancy Broshot to the Natural Resources Committee to fill the current at-large vacancy for a term of July 20, 2016 - December 31, 2017.

4. Citizen Comments

Sam Drevo, resident of Oregon City, was there on behalf of the whitewater park proposal. This would be an anchor destination for locals and tourists and a catalyst for economic growth. Other cities who invested in a whitewater park attracted many visitors which led to an economic boom. A whitewater park mimicked natural rapids for all water sports. Many outdoor industry associations were in support and thought the Oregon outdoor economy would bring in millions of dollars and jobs. Incorporating a whitewater park in the Willamette Falls Legacy Project was an important opportunity. To move forward, a new design process would have to be approved and he hoped the Commission would do so. There was support from the Oregon City Business Alliance to keep the option alive and designing the Riverwalk in such a way that would allow for a whitewater channel in the future. Support was also received from Travel Oregon and Falls Legacy, LLC. He asked that the Commission consider

the opportunity.

5. Adoption of the Agenda

Agenda item 8a. was pulled from the Consent agenda.

6. Public Hearings

6a. Request to Continue Annexation File AN-16-0001 for the 0.46 Acre Property Located at 19358 S. Columbine Court to August 17, 2016

Laura Terway, Community Development Director, said the Planning Commission recommended approval of this annexation, however they had concerns that the application had not included a zone change. Since that time, the applicant decided to submit a zone change request. Staff was requesting a continuance to August 17, 2016.

A motion was made by Commissioner Shaw, seconded by Commissioner Mengelberg, to continue annexation File AN-16-0001 for the 0.46 acre property located at 19358 S. Columbine Court to August 17, 2016. The motion carried by the following vote:

Aye: 4 - Commissioner Brian Shaw, Commissioner Rocky Smith, Mayor Dan Holladay and Commissioner Renate Mengelberg

6b. First Reading of Ordinance No. 16-1007, Adopting Amendments to the Oregon City Municipal Code Chapter 17.62, Site Plan and Design Review, and Chapter 17.50, Administration and Procedures

Ms. Terway said over the years businesses had expressed concern over the process for small alterations to their buildings and that it was slow and expensive. In response, staff had worked to come up with a new streamlined process that did not change the standards in the Code.

Kelly Reid, Assistant Planner, said the amendments to the Code would create a Type 1 process for site plan projects that were simple and small and did not involve any discretion. This would improve the timeframe for projects and reduce the costs. She gave examples of the non-discretionary criteria, along with projects the criteria would apply to, and the application process. The changes to the fees would be brought back to the Commission with the second reading of the ordinance. This new process was applicable city-wide except in a historic district or landmark, as a conditional use, in any overlay districts, or if any modifications were proposed.

Mayor Holladay thought if the application was black and white and would go through the Historic Review Board, there should not be a difference in rules for those projects in a historic district or landmark. He suggested taking this back to the Planning Commission and asking for feedback on this issue.

Commissioner Mengelberg suggested moving forward with the first reading of the ordinance and adding this discussion to the joint meeting with the Planning Commission on Monday.

Ms. Terway said the concern of the Planning Commission was the notification process, which was not required for a Type 1 decision.

Mayor Holladay opened the public hearing.

There was no public testimony.

Mayor Holladay closed the public hearing.

A motion was made by Commissioner Shaw, seconded by Commissioner Mengelberg, to table the first reading of Ordinance No. 16-1007, adopting amendments to the Oregon City Municipal Code Chapter 17.62, Site Plan and Design Review, and Chapter 17.50, Administration and Procedures. The motion carried by the following vote:

Aye: 4 - Commissioner Brian Shaw, Commissioner Rocky Smith, Mayor Dan Holladay and Commissioner Renate Mengelberg

6c.

Appeal of Public Works Director's Assessment of System Development Charges (SDCs) for a 2-Story Office Building at 415 Center Street

John Lewis, Public Works Director, said staff was still recommending denial of the appeal to the Public Works Director's assessment of the SDCs for construction of an office building at 415 Center Street. This was a vacant site and had a home on it that in 2002 burned down. There had been some activity from the property owner, but no permitting had been done. The property owner was proposing to build a commercial building consistent with the historical requirements of the neighborhood and asked to receive a reduction of SDCs. However, this application was over the ten year allowance for a reduction per the Code. He had looked at other options for reducing SDCs and had not found a way to reduce them. The public improvements that were required to be done by the developer were ones that would be required of any developer.

Commissioner Smith thought the Commission should deny the request and not set a precedent.

Mayor Holladay opened the public hearing.

There was no public testimony.

Mayor Holladay closed the public hearing.

A motion was made by Commissioner Smith, seconded by Commissioner Shaw, to deny the appeal of the Public Works Director's assessment of System Development Charges (SDCs) for a 2-story office building at 415 Center Street. The motion carried by the following vote:

Aye: 4 - Commissioner Brian Shaw, Commissioner Rocky Smith, Mayor Dan Holladay and Commissioner Renate Mengelberg

6d.

Resolution No. 16-19, Calling a Measure Election to Submit to the Electors of the City the Question of Authorizing up to \$16 Million of General Obligation Bonds to Finance a Community Safety Facility; Declaring Intent to Reimburse Expenditures; and Providing for Related Matters

Jim Band, Police Chief, recommended approval of the resolution. When staff first looked into this project, the cost estimates came back at around \$18 million for a new police facility, but due to increased construction and SDC costs, it was now around \$20 million. The money was planned to come from the sale of the current police

facility and through the C-SAF fee and the money from the C-SAF was planned to be used to go out for a 15 year bond. After looking at bond options and at the \$20 million needed as well as not wanting to raise the C-SAF or raise taxes, staff was recommending a \$16 million, 20 year bond. The current police facility could not be sold until they were in the new building, and that money could be used to pay the bond off early.

Mayor Holladay opened the public hearing.

William Gifford, resident of Oregon City, was in support of the measure. He was part of the Political Action Committee (PAC) to get this measure passed and had been going to neighborhood association meetings to get their support. He thought the bond should be higher than \$16 million. They did not know for sure how much the construction costs would be by the time they finished the project and what the value of the existing police facility would be. They could sell the property and lease it back to the City while the new building was being constructed. He was not convinced that the \$16 million would be enough.

Mayor Holladay closed the public hearing.

Wyatt Parno, Finance Director, agreed there were changes in construction costs and the City had committed to the \$6.50 per month C-SAF fee and had committed not to levy a property tax. To ask for additional funds would be difficult to still meet those parameters. The Commission could change the amount to \$18 million.

There was discussion regarding whether or not to increase the amount of the bond.

Chief Band thought the \$16 million would cover the costs and would be a better amount for the public perception.

A motion was made by Commissioner Smith, seconded by Commissioner Shaw, to approve Resolution No. 16-19, calling a measure election to submit to the electors of the city the question of authorizing up to \$16 million of general obligation bonds to finance a community safety facility; declaring intent to reimburse expenditures; and providing for related matters. The motion carried by the following vote:

Aye: 4 - Commissioner Brian Shaw, Commissioner Rocky Smith, Mayor Dan Holladay and Commissioner Renate Mengelberg

7. General Business

7a. Resolution No.16-20, Calling for an Election to Approve the Change in Status and Construction of Improvements for a Portion of the Wesley Lynn Park Under Section 41 of the Oregon City Charter, and Adopting a Ballot Title

Denise Conrad, Interim Community Services Director, recommended approval of the resolution. This measure was on the May ballot and failed by six votes and the Commission requested it come back to the November election. This was a request to build a road on park property for access to a nine home subdivision and construction of an underground stormwater pipe across park property. She thought this resolution also required a public hearing.

Mayor Holladay asked staff to find out if it required a public hearing and bring it back to the next Commission meeting.

Bill Kabeiseman, City Attorney, did not think it required a public hearing and if the Commission allowed people to speak now, he did not think it would be a problem that it was not noticed as a public hearing.

Kattie Riggs, City Recorder, said postponing the approval of the resolution made the timeframe tighter to allow for the seven day challenge period to the ballot title.

There was no public comment.

The Commission was comfortable moving forward with the resolution.

Mayor Holladay thought this was good for the park and the City and he asked for help from the Parks Foundation and PRAC to get the word out.

A motion was made by Commissioner Mengelberg, seconded by Commissioner Smith, to approve Resolution No.16-20, calling for an election to approve the change in status and construction of improvements for a portion of the Wesley Lynn Park under Section 41 of the Oregon City Charter, and adopting a Ballot Title. The motion carried by the following vote:

Aye: 4 - Commissioner Brian Shaw, Commissioner Rocky Smith, Mayor Dan Holladay and Commissioner Renate Mengelberg

7b.

Appointment and Application Process for City Commission Vacancy

Mayor Holladay said the Commission was under the assumption that if they fell within 180 days of an election, they could not appoint a new Commissioner. Since then the City Recorder and City Manager did some research and found that was not the case. He asked if a process to appoint a new Commissioner should occur.

Ms. Riggs discussed a tentative timeline for the process. It was up to the Commission whether or not to appoint someone or wait until the election. This position would also serve on the Urban Renewal Commission.

Commissioner Smith thought it would be better if they waited until the election. Commissioner Shaw agreed. Commissioner Mengelberg agreed, but wanted to make sure that there would still be a quorum for meetings and that tie votes might be an issue.

Mayor Holladay suggested taking applications for a caretaker seat by someone who would not run in the election. That way the vacancy would be filled for the three months until the permanent seat was filled in January.

There was discussion regarding this option. There was consensus to not fill the vacancy and wait until the election.

8. Consent Agenda

A motion was made by Commissioner Smith, seconded by Commissioner Mengelberg, to approve items 8b - 8d on the consent agenda. The motion carried by the following vote:

Aye: 4 - Commissioner Brian Shaw, Commissioner Rocky Smith, Mayor Dan Holladay and Commissioner Renate Mengelberg

8a.

Resolution No. 16-17, Supplemental Budget for the 2015-17 Biennium

Commissioner Shaw asked about the grant funding from the State Marine Board for the hydrology study for the Clackamette Park boat ramp. He thought that had already been done.

Ms. Conrad said the hydrology study had already been done. This was a reimbursement of the funds the City fronted to do the study.

A motion was made by Commissioner Mengelberg, seconded by Commissioner Shaw, to approve Resolution No. 16-17, Supplemental Budget for the 2015-17 Biennium. The motion carried by the following vote:

- 8b.** Oregon City Police Employees Association Collective Bargaining Agreement for the Period July 1, 2016 - June 30, 2019
- 8c.** Certifying the Corrected Election Results for the May 17, 2016 Election as Certified by Clackamas County Clerk for Ballot Measure No. 3-479, Status Changes of Wesley Lynn Park; Allows Easement and Public Road
- 8d.** OLCC: Liquor License Application- On-Premises Sales, Additional Privilege: Applying as a Limited Liability Company, Oregon City Brewing Company, 1401 Washington Street

9. Communications

a. City Manager

Mr. Konkol said Steve Little from the Parks Department passed away recently and a Celebration of Life Service would be held on July 30, 2016. National Night Out would be held on August 2, 2016 and the First City Celebration would be on Friday and Saturday. The groundbreaking event for the Cove project would be July 27, 2016. The League of Oregon Cities was requesting a list of legislative priorities from the City and staff identified restore recreational immunity, mental health investments, rights-of-way, and transportation funding and policy package as the four priorities.

There was consensus to submit those as the City's priorities.

Mr. Konkol said the new playground at Barclay Hills Park was open and encouraged everyone to attend the Concerts in the Park.

Ms. Conrad said the Clackamette Park boat ramp repair project would be completed at the end of August and it would be open in September. The Oregon State Marine Board would be holding an open house in September to discuss the location of the new boat ramp.

Maureen Cole, Library Director, said the library had moved out of the Carnegie building and work had started on the Carnegie. She showed pictures of the renovation of the Carnegie and the new addition of the library. The grand opening of the library would be October 15, 2016.

b. Commission

Commissioner Shaw attended the Marijuana Open House and Concerts in the Park.

Commissioner Smith reported on the Friends of the Ermatinger House meeting. He attended the Willamette Falls Work Session and whitewater park discussion and VFW Hall barbecue for the Police Department.

c. Mayor

Mayor Holladay said there had been discussions regarding next steps for the Rossman site. He attended the Legacy Park Partners meeting and discussed his visit to Spokane, Washington, and their improvements to downtown Spokane.

10. Adjournment

Mayor Holladay adjourned the meeting at 9:08 PM.

Respectfully submitted,

Kattie Riggs, City Recorder