



# CITY OF OREGON CITY

## CITY COMMISSION SPECIAL WORK SESSION

### MINUTES

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Virtual Meeting  
Thursday, March 11, 2021 at 6:00 PM

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#### CONVENE WORK SESSION AND ROLL CALL

*Commission President Rocky Smith called the meeting to order at 6:10 PM.*

**PRESENT:** 4 - Commissioner Denyse McGriff, Commissioner Frank O'Donnell, Commissioner Rachel Lyles Smith, Commissioner Rocky Smith, Jr.

**STAFFERS:** 13 - City Manager Tony Konkol, Asst. City Recorder Jakob Wiley, Community Development Director Laura Terway, Public Works Director John Lewis, City Recorder Kattie Riggs, Police Chief Jim Band, Finance Director Matt Zook, Library Director Greg Williams, Parks & Rec. Director Kendall Reid, City Engineer Dayna Webb, Project Engineer Bob Balgos, Asst. Public Works Director Vance Walker, Human Resources Director Patrick Foiles

#### DISCUSSION ITEMS

1. Oregon City Operations Complex Development Project – March 2021 Update Presentation

*John Lewis, Public Works Director, introduced Gerard Mulrooney, consultant for Plan B. Mr. Mulrooney discussed the progress at the new Public Works/Parks Operations Complex. He reviewed the timeline of construction and the challenges of working within the existing building, including state required COVID-19 monitoring and delays caused by the wildfires and the recent ice storms. Mr. Mulrooney also reviewed the upcoming goals for the construction through September 2021.*

*Commissioner McGriff thanked Mr. Mulrooney for the update and staying on schedule. Commissioner O'Donnell complimented Mr. Mulrooney and staff for staying on budget.*

2. Stormwater Rates and System Development Charges (SDC) Update

*Mr. Lewis presented the first portion of the presentation regrading City stormwater rates and system development charges (SDCs). The latest Stormwater Master Plan was completed in 2020. Mr. Lewis reviewed the current list of proposed capital projects.*

*John Ghilarducci, FCS Group consultant, presented on the calculation of the SDCs for stormwater prepared by his company, which consists of a reimbursement fee and improvement fee combined, to determine the SDC amount. The SDCs were calculated based on the expected growth of impervious surface areas within the City limits.*

*Commissioner O'Donnell asked if SDC's can be used to correct existing system deficiencies and Mr. Ghilarducci clarified they cannot be used for that purpose. Repairs and maintenance of existing infrastructure are funded through rate increases. SDCs can be for upsizing existing infrastructure. The reimbursement fee portion of SDCs can be used for any stormwater capital investment project.*

*Brooke Tacia, FCS Group consultant, presented on the financial analysis and policies related to stormwater SDCs. Ms. Tacia discussed the components of the report, including the operating reserve,*

capital contingency reserve, system reinvestment/depreciation funding, and debt service coverage. Ms. Tacia discussed options for capital generation and the three level of service: baseline, moderate capital, and full capital. Each of these levels of service included an amount of rate increase and an associated level of investment. Ms. Tacia outlined the differences between cash and debt funding approaches.

Commissioner Lyles Smith discussed her preference for the moderate options balancing debt and cash funding, keeping in mind the need for improvement of City parks.

Commissioner O'Donnell discussed that the City's proposed rates appeared to be close to nearby cities and noted that the operational and capital reserves appear to be three times larger than required. Commissioner O'Donnell asked if the reserves were factored into the analysis. Ms. Tacia confirmed that the capital reserves were included in the analysis and the recommended rate for each level of service.

Mr. Konkol and Mr. Lewis discussed that the City tends to not use debt funding, meaning that the City often saves money over time and spends significant amounts during larger projects.

Mr. Ghilarducci discussed that City's capital reserves were included in their analysis and their draw-down was included in calculations of proposed rates.

Commissioner McGriff noted that the City would also need to address the City's SDCs for parks. Commissioner McGriff also asked about the history of referring debt questions to the voters. Tony Konkol, City Manager, could not recall the last time the City referred a debt question to the voters and the City had typically used cash for projects. Mr. Ghilarducci commented that stormwater projects are usually cash funded, rather than through debt processes over time.

Commissioner Lyles Smith favors cash funding stormwater projects and not putting a debt question to voters.

Commissioner Smith favored a moderate approach, balancing cash and debt financing.

Commissioner McGriff discussed that she has had several members of the public ask about stormwater issues following posting of the meeting notice.

The Commissioners returned to the SCD topic. Mr. O'Donnell felt the increase was reasonable, given the comparisons to other city's rates. Commissioner Smith, Commissioner McGriff, and Commissioner Lyles Smith were also in favor of the proposed rate amount. The Commissioners discussed an example residential development fee estimate drafted by Laura Terway, Community Development Director, in January by email.

## CITY MANAGER'S REPORT

There was no City Manager's report. Mr. Lewis discussed the reopening of the tree debris/vegetation disposal site at the Clackamette Cove and encouraged volunteering for the Oregon City Optimist Club's clean-up crew for the ice storm debris collection event held March 19<sup>th</sup> through 21<sup>st</sup>, 2021.

## ADJOURNMENT

Commission President Rocky Smith adjourned the meeting at 7:49 PM.

Respectfully submitted,



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Kattie Riggs, City Recorder