



# CITY OF OREGON CITY

## CITY COMMISSION WORK SESSION

### DRAFT MINUTES

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Virtual Meeting  
Tuesday, January 12, 2021 at 6:00 PM

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#### VIRTUAL MEETING INFORMATION:

#### CONVENE WORK SESSION AND ROLL CALL

*Commission President Rocky Smith called the meeting to order at 6:02 PM.*

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

**Staffers:** 12 – City Manager Tony Konkol, Assistant City Attorney Carrie Richter, City Recorder Kattie Riggs, Community Development Director Laura Terway, Public Works Director John Lewis, Police Chief Jim Band, Finance Director Matt Zook, Library Director Greg Williams, Parks & Rec. Director Kendall Reid, Sr. Planner, Human Resource Director Patrick Foiles, Pete Walter, Senior Planner and Patty Nelson, Project Engineer

#### FUTURE AGENDA ITEMS

##### 1. List of Future Work Session Agenda Items

*Commissioner Lyles Smith asked about the Department Land and Conservation District (DLCD) new guidelines.*

#### DISCUSSION ITEMS

##### 2. Proposed Annexation Code Amendments

*Laura Terway, Community Development Director, provided a background of the agenda item. At the December 8, 2020 City Commission Work Session, the City Commission directed staff to identify draft changes to the annexation factors in Chapter 14.04 of the Oregon City Municipal Code to add clarity and a more detailed analysis of utilities and services at time of annexation. Staff returned on the December 16th meeting with proposed redlines and received additional direction from the Commission. The proposed Code amendments have been revised to implement the feedback of the Commission.*

*The Commission provided additional direction to guide staff in further amending the Code. This included more specificity within the annexation factors to identify the level of planning and infrastructure analysis required to determine that future development can be adequately served, adding more language regarding the funding sources for mitigation, such as public improvements, lower the size of annexation identified for master planning to five acres, adding a factor identifying all historically designated and potentially eligible historic structures be identified and research other city codes such as the City of Sandy for additional criteria.*

*Pete Walter, Senior Planner, walked through the specific changes.*

*Commissioner McGriff had questions about the proposed Code sections and wording used in several paragraphs.*

*There was in-depth discussion and review of edits to the Code regarding the essential factors for annexation, including transportation/intersection access, sewer, water, stormwater, police, fire and emergency services, parks and schools.*

*There was the question of whether an annexation could be denied due to the Police Department not being able to provide law enforcement coverage. Mr. Konkol brought up not having enough funding to cover essential services.*

*The Commissioners had discussion on the condition of the potential annexed properties, including the tree canopy and whether trees can be removed prior to completion of the annexation process.*

*Further revisions will be completed and brought back to the Commission for review.*

### 3. Water Rate Updates and Voter Approval

*John Lewis, Public Works Director, introduced Project Engineer Patty Nelson to provide the presentation.*

*Water rates and water System Development Charges (SDCs) support the City's Capital Improvement Plan (CIP) with \$82.9 million in funding. The City is in the process of amending the 2012 Water Distribution System Master Plan to include the updated 2019 CIP. With the adoption of the Amended 2012 Water Master Plan, the City must update water rates and water SDCs to support the plan. Water rates pay for system improvements needed for the existing system, while SDCs are one-time charges and pay for system improvements needed to support development/growth. Ms. Nelson outlined the ongoing risks if water rates are not increased, as there is substantial growth in the area and with the present aging systems, enforcing user curtailment may be necessary. Ms. Nelson also outlined other financing options, including the Water Infrastructure Finance and Innovation Act (WIFIA), which provides long-term low interest loans for public water improvements. Options available for voter approval are a 5% annual rate increase which is a backloaded revenue requirement, or a 4% debt-supported revenue requirement.*

*Commissioner McGriff asked if there has been an increase in water consumption due to the COVID-19 restrictions and Mr. Lewis indicated he had not looked at comparable data, but last summer the water system was straining to keep up with demand. Wyatt Parno with the South Fork Water Board communicated during the meeting that there was no significant water usage change during the current COVID restrictions.*

*Commissioner O'Donnell asked about the WIFIA loans and whether voter approval was required to pursue them. Ms. Nelson indicated that voter approval was necessary. He also asked if there was demonstrated evidence of system failures. The City does map all system failures and water main system breaks. Commissioner O'Donnell asked if Public Works could at least track the frequency of failures and Ms. Nelson indicated they can but that it was not a predictor of future failures.*

*There was a question if a Local Improvement District (LID's), which are a method of providing public financing for the construction of public works improvement projects that benefit private properties, could be put in place when a single developer owned multiple property lots, prior to sale. That could be done, although the interest rate to the developer would be higher.*

*There was discussion on what portion of the City utility bill would be impacted with an increase and it was clarified that only the water rate would be affected.*

*Commissioner Lyles Smith commented that since there was a history of the City postponing system maintenance, it would only be more expensive in the future. Oregon City is comparable to other local jurisdictions on water rates. Commissioner Lyles Smith asked if needed projects would be completed after twenty years if the approved rate increases were implemented and the response was yes. Mr. Konkol provided clarification on the debt perspective for the long-term basis.*

*Commissioner McGriff commented that a long-term bond might be more desirable.*

*Commissioner O'Donnell asked clarification on whether the current rates collected were being applied to system improvement projects and the responds was that very little are used for future projects with the majority going to operational costs.*

*Commissioner O'Donnell commented that he would like to see more explanatory work done on the WIFIA financing option.*

*Mr. Zook provided some examples of funding opportunities he experienced while working for the City of Newberg and indicated they could look at all the options available.*

*Commissioner McGriff asked Mr. Konkol about available Federal funding and he indicated he would follow-up.*

*Mr. Lewis and Ms. Nelson summarized much of the conversation at this point and Ms. Nelson reviewed the 2021 election schedule.*

*Commissioner Smith commented that he liked the option of the September timeline and Commissioners Lyles Smith, McGriff and O'Donnell felt the November ballot timeline would be better, because of the COVID situation, local business recovery and time to conduct community outreach.*

*Mr. Konkol summarized that there appeared to be Commission consensus on moving forward with a November 2021 ballot measure with the four percent debt requirement and to begin work on the outreach pieces. Mr. Konkol also noted the Commission's request to investigate possible Federal funding.*

*Commissioner Smith expressed concerns on presenting too many priority projects to the voters.*

#### **4. Review of the City Commission Rules of Procedure and Commission Policies**

*Kattie Riggs, City Recorder, presented the topic and reminded the Commission of items such as the use of electronic devices at the dais during meetings. The City Commission reviewed and discussed proposed changes to Commission Policies and the Commission's Rules of Procedure.*

*Commissioner Smith expressed concerns on having a complete back-up of meeting recordings and not having the authority to compel a Commissioners attendance at City meetings. Commissioner Lyles Smith concurred. There was review of the City Charter and discussion on the attendance language. The Commission decided to start the review with the Rules of Procedure.*

*The Commission discussed whether the rules of procedure applied to all City boards, committees and the City Commission, or to the City Commission only. There was discussion about how to address questions to the City Attorney and staff during meetings. There was also discussion about receiving public comment during work sessions. The Commission discussed and agreed to rearrange the order of items on meeting agendas. Last minute presentation materials on external media from outside presenters will not be allowed, due to the security risk.*

*Commissioner Smith expressed the desire to have the ability to edit electronic documents in the agenda packets. Ms. Riggs indicated the option was available now with Commission training.*

*There was consensus to address the review and editing of Commission policies at a future work session.*

#### **CITY MANAGER'S REPORT**

*There was no City Manager's report.*

#### **COMMISSION COMMITTEE REPORTS**

**A. Beaver Creek Employment Area Blue Ribbon Committee** - Commissioner Frank O'Donnell

**B. Brownfield Grant Committee** - Commissioner Frank O'Donnell

**C. Citizen Involvement Committee Liaison** - Commissioner Denyse McGriff

*Commissioner McGriff specified the letters to the inactive neighborhood association residents had been approved and would be mailed out. She also attended the Tower Vista/Hillendale Neighborhood Association first re-activation meeting and they would be meeting again.*

**D. Clackamas County Coordinating Committee (C4)** - Commissioner Rachel Lyles Smith

*Commissioner Lyles Smith commented that SMART transit out of Wilsonville, requested to be included in C4 and there had been progress in making them a voting member.*

**E. Clackamas County I-205 Tolling Diversion Committee** - Appointed: Commissioner Rachel Lyles Smith      Alternate: Commissioner Frank O'Donnell

**F. Clackamas Heritage Partners** - Commissioner Rocky Smith, Jr.

*Commissioner Smith stated there was a Saturday retreat on January 9, 2021 and a new movie production on a parallel tribal story had been completed through a grant. The End of the Oregon Trail Center had applied for other grants.*

**G. Clackamas Water Environment Services Policy Committee** -  
Appointed: Commissioner Rocky Smith, Jr.      Alternate: Commissioner Denyse McGriff

**H. Downtown Oregon City Association Board** - Commissioner Denyse McGriff

*Board meeting was held on January 12, 2021 and a successful recent winter promotional campaign was discussed.*

**I. Metro Policy Advisory Committee (MPAC)** - Appointed: Commissioner Rachel Lyles Smith      Alternate: Commissioner Denyse McGriff

**J. OC 2040 Project Advisory Team** - Appointed: Commissioners Denyse McGriff and Rocky Smith, Jr.

*Commissioner McGriff and Commissioner Smith requested an update from Ms. Terway to get up to speed.*

**K. Oregon Governor's Willamette Falls Locks Commission** - Vacant until State Appoints Commissioner Rachel Lyles Smith

*Commissioner Lyles Smith indicated there was a legislative bill to create a public corporation to take ownership of the Willamette Falls Locks. They have requested funding, but the Governor did not approve the funding. Commissioner McGriff requested a presentation on the Willamette Falls Locks. Mr. Konkol will coordinate.*

**L. Oregon City Tourism Stakeholder's Group** - Appointed: Commissioners Denyse McGriff

*and Rocky Smith, Jr.*

*Commissioner McGriff announced the second showcase film had been completed and she was featured in the film. There was also work on new promotional materials featuring more diversity.*

**M. Oregon City/West Linn Pedestrian and Bicycle Bridge Concept Plan Project Advisory Committee** - Appointed: *Commissioner Denyse McGriff*

*Commissioner Lyles Smith complimented Mr. Konkol for his comments in the most recent Commission meeting that included the Oregon Department of Transportation presentation on the bridge options.*

**N. South Fork Water Board (SFWB)** - Commissioners *Rachel Lyles Smith, Frank O'Donnell, and Rocky Smith, Jr.*

*Commissioner Smith mentioned an ongoing water rights court case and the honoring of John Collins, SFWB Director, as he retires.*

**O. Willamette Falls and Landings Heritage Area** - *Commissioner Denyse McGriff*

*The Willamette Falls and Landings Heritage Area Board meeting would be held on Monday, January 18, 2021.*

**P. Willamette Falls Legacy Project Liaisons** - Commissioners *Frank O'Donnell and Rachel Lyles Smith*

*Commissioner O'Donnell mentioned the scheduling of another meeting with the Tribes. The Commission discussed the building that had burned in December at the mill site and possible demolition.*

**ADJOURNMENT**

*Commission President Rocky Smith adjourned the meeting at 10:08 PM.*

Respectfully submitted,

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Kattie Riggs, City Recorder