



MINUTES
City Council Meeting
Tuesday, September 4, 2018 City Hall- Council
Chambers, 39250 Pioneer Blvd., Sandy,
Oregon 97055 6:30 PM

COUNCIL PRESENT: Bill King, Mayor, Jeremy Pietzold, Council President, John Hamblin, Councilor, Jan Lee, Councilor, Carl Exner, Councilor, and Jean Cubic, Councilor

COUNCIL ABSENT: Scott Horsfall, Councilor

STAFF PRESENT: Karey Milne, Recorder Clerk and Kim Yamashita, City Manager

MEDIA PRESENT:

1. Workshop

1.1. Workshop - Meet and Greet President of MHCC, Lisa Skari

Staff Report - 0039

2. Pledge of Allegiance

3. Roll Call

4. Changes to the Agenda

5. Public Comment

5.1. Kathleen Walker, 15920 SE Bluff Road Sandy OR, She said that she was unable to find certain things on the agenda.

Mayor invited Lisa Skari, to the podium, president of Mt. Hood Community College.

She addressed the council and guests, She stated that she is the new President of Mt. Hood Community College and that she and her husband are new residents to the Sandy area. For over 50 years MHCC has been your community college offering education to your residents. For the last 26 years she has been working in higher education, she looks forward to working with us to expand the opportunities offered to the community.

6. Resolutions

- 6.1. Open a Public Hearing on Changes to the Supplemental Budget
- 6.2. Supplemental Budget

Staff Report - 0035

City Manager, Kim Yamashtia, Just as a reminder we had several things pop up after the budget was completed, some of which included the cancellation of Estacada Police Services, the Aquatic Recreation Fun and Telecommunications Fund. We had planned to bring the Supplemental Budget to you in September, we moved it up to the first meeting instead of the second meeting. Due to some other items on this agenda, she thought it would be good for council to know where things are at. This should get us squared away until the next Biennium.

Finance Director, Tyler Deems, The purpose of this supplemental budget is to account for additional revenue in the General Fund, transfer this revenue to various departments within the General Fund, as well as to Aquatic/Recreation Fund. Additionally, the Transit and Telecommunications Funds were in need of some housekeeping. A summary of the changes can be seen below. Local Budget Law allows for changes to an adopted budget via the supplemental budget process in certain cases (ORS Chapter 294). Additionally, it is required that any fund with changes in expenditures of over 10% are subject to a Public Hearing. General Fund The General fund brought forward a higher than budgeted beginning fund balance in Fiscal Year (FY) 2017-2018. The total amount of this difference was \$209,652. Additionally, we received \$61,872 in miscellaneous revenue that was not budgeted. The total of these two adjustments is \$271,524 will be transferred to four other areas: Council, Police, Non-Departmental, and the Aquatic Recreation Fund. \$5,000 will be transferred to Council to cover additional materials and services. \$102,449 will be transferred to Police. As a result of the loss of the Estacada Contract, it was necessary to do a full review of the Police budget. This supplemental budget accounts for the loss of the contract, revenue from the COPS grant that we were recently awarded, as well as an interfund loan from the Transit Fund to cover capital outlay, not to exceed \$356,272. The capital outlay expense is related to, among other items, the purchase of new computers and radios. The result of all the aforementioned changes is a new decrease to the Police budget of \$55,102. Non-Departmental had a lower than budgeted beginning balance due to spending in Spring 2017 related to the clean-up of the old City Shops property. As such, it was necessary to review this budget and clean up

where appropriate. Of the excess revenue mentioned above, \$56,000 is being transferred to Non-Departmental. Personnel services has been reduced to \$0, as there is no plan to hire any staff at this time who will be paid out of this department. Lastly, \$350,000 is being transferred from Contingency to the Aquatic/Recreation Fund to ensure the continued operation of the pool though the remainder of the biennium. Aquatic/Recreation Fund As many of you may remember, when we went through the budget process for the 2017-2019 Biennium, there were many unknowns for this fund. Having now opened the pool, and been operational for approximately two months, we have a much better idea of what the true revenue and expenses are. To continue operations through the remainder of the biennium, we will transfer \$108,075 from the General Fund excess mentioned above, along with an additional \$350,000 from Non-Departmental Contingency. We are anticipating total revenue from operations to be \$98,700. As expected, the largest expense in operating the pool is personnel services. Just behind that is materials and supplies. A good portion of this was related to start up costs that were required prior to opening the pool. Now that the pool has opened these costs will level out. We have also budgeted a small contingency of \$17,096. Transit Fund The Transit Fund has received some additional revenue in the form of a grant to assist in paying for the remodel of the wash-bay. Additionally, this supplemental budget reflects revenue from Clackamas County for our services in managing the extended bus service up the mountain, which offsets the salary expense of our Transit Program Administrator. Lastly, the Transit Fund will be extending two interfund loans, one to Police (mentioned above, not to exceed \$356,272), and one to Telecommunications (\$500,000). Both of these loans are for capital purposes, and, as allowed by ORS, are on a ten year repayment schedule. It is our anticipation to pay these loans off earlier than that as funds become available. The contingency for this fund has been reduced to account for the two interfund loans mentioned above. Telecommunications Fund Originally it was budgeted that the Sewer Bond Reserve Fund would loan Telecommunications \$500,000 but in a prior supplemental budget we cancelled that plan, and are now revisiting the Telecommunications budget to approve the loan from the Transit Fund. The remainder of the changes in this fund are housekeeping in nature, and account for a cleaner projection of year end revenue and expenses based on where numbers are at currently, midway through the biennium.

Discussion Regarding the Police Fund.

Councilor Pietzold, in putting money aside and planning for the equipment, did we not have any money put aside a couple of bienniums ago?

City Manager, Kim Yamashita, She is aware there was some money put aside this last biennium, but the police budget has been pretty lean the last two bienniums so there was not a lot of excess to be put aside for that.

Councilor Pietzold, do we know how much money was put aside already for that equipment? How much is the total amount of the radios, he knows that it is mandatory to upgrade them and we have been planning for them.

City Manager, Kim Yamashita, informed council she would have to look into that to get them that number.

Finance Director, Tyler Deems, he stated he had the total of the two, he believes the radios are approximately, \$86,000.

There was more discussion on the Radios.

Councilor Exner, If we are short now because of the full time employees coming back from Estacada it leads me to wonder if this will have to be talked about again in the next budget process for the next biennium? Or is this a one time fix?

Finance Director, Chief has done a great job of re-allocating the full time employees, he added a second school resource officer to the Oregon Trail School District so there are funds helping the cost of one FTE there, in the next biennium we will have two years of that income instead of just this one. We are anticipating at least one officer retiring which should help. He can not say though with certainty that we won't have to talk about budgeting issues in the next biennium. Councilor Hamblin , shares Councilor Exner's concerns.

Discussion Regarding Non Departmental and the Aquatic Center Funds.

Councilor Pietzold, asked if the revenue on that is projected by the biennium or just for the last 3 months?

Finance Director, Tyler Deems, that is projected revenue for the biennium.

Mayor King, hopes that our programs will be able to do better than what we are projecting assuming we are projecting on the lower side.

Finance Director, Tyler Deems, once phase one or phase two is complete there will be more space for programming etc., to increase revenues.

Council had a few more questions and discussion on programs and revenue streams.

Discussion Regarding the Transit Fund.

None

Discussion on the Telecommunication Fund.

Mayor, asked if this is the last of the budget clean up until the end of the biennium?

City Manager, Kim Yamashita, yes unless something unforeseeable happens.

Councilor Exner, same question as with the police budget, for the telecommunications, will it keep us okay through the next biennium?

City Manager, Kim Yamashita, yes, and they should by next biennium in the

black.

Council had a few more questions and discussion regarding the telecommunications fund.

IT Director, Joe Knapp, said that we are at 75% of homes connected and we only anticipated hitting 50% at the five year mark and next year will be 5 years.

General Discussion on the Supplemental Budget.

Councilor Hamblin, A Community member asked about parks and he was wondering about prioritization of this list and budget and how do you determine the prioritization of who was being funded and for what?

City Manager, Kim Yamashita, the budget has to be balanced by law, we looked at where we had deficits were and that is what is priority. If we had extra, we could have certainly put it in places like parks and or left it up to council as to what to do with that.

Councilor Hamblin, you had also mentioned we have a million dollar contingency?

City Manager, Kim Yamashita, Transit has the million dollar contingency.

Councilor Hamblin, What is our overall contingency as a City?

City Manager, Kim Yamashita, In non-departmental, it was 500,000 and with moving and filling holes it leaves you with 240,000.

Council had some more discussion, they are a little worried about where contingency is at after filling the holes.

Councilor Hamblin, We need to look at our pace and planning for that pace, the need and expectation for the expansion of that system is so much greater than we can imagine along with the cost.

Public Comment:

Kathleen Walker - 15920 Bluff Road, she thinks the operations, and opening up the pool has been fantastic for the community. It is a great undertaking, she thinks back about the concerns she had a couple of years ago when this came to council. It is becoming a huge cost to maintain and operate. The key point then to keep it going was adding a utility fee. Now that we have a little bit of understanding of the cost that it takes to run the pool, where is the utility fee, how much will that help us out, we need to have that conversation sooner rather than later. Parks facilities guys are now a part of building maintenance, she has concerns that the parks are not getting the attention they deserve and does not want to see parks and trails to suffer because we have to fill gaps in other places. She feels we need to have a good understanding of what it takes to maintain the parks as well and to keep them sustainable into the future.

Moved by Carl Exner, seconded by Jan Lee

Staff Report - 0035

Make a motion to approve Resolution No. 2018-27 to adopt the Supplemental Budget for the 2017 - 2019 Biennium.

CARRIED.

6.3. Close Public Hearing on Changes to the Supplemental Budget

Motion to Close the Public Hearing on the Supplemental Budget.

CARRIED.

7. New Business

7.1. Draft Proposal - Plastic Bag Ban Ordinance 2018-26

Staff Report - 0036

City Manager, Kim Yamashita - She sent out to a list serve to get some input on a plastic bag ban, there are several cities that already have a ban in place. She would like to see council hold some public forums and public hearing before going forward with the ban.

Council had some questions, they are concerned with smaller businesses for sure, the bigger businesses, most are working towards that change already. City Manager, Kim Yamashita, Other cities that have had an ordinance in place for quire some time put in the ordinance a year moratorium to help. The purpose of public hearing is to give those business opportunity to give their input as well.

Council has concern about what is ending up in our oceans, feels it is a good time to start moving forward with this, having the moratorium in there should help the smaller businesses.

Dana Hiednam-Allen, 42290 SE Erickson Rd, Sandy, OR She is grateful that this is on the agenda, scientifically this is a huge concern. She would love Sandy to embrace environmentally to make a good impact, people now do have their own bags, paper bags. She would really like the council to consider the ban. She feels we are in a strong position to make that change and to protect our national forest and to make a statement that we care as a community.

Matt Wilson, 17335 Meinig, Sandy OR representative for the Sandy Area Chamber, would like to know scope, what business will be effected. Does it

effect,

all businesses that has a retail face that gives you something to take away?

City Manager, Kim Yamashita, yes anything that has a take away, there would be some caveats for farmers markets, etc., she would be happy to talk to the chamber more about the issue and could set up a meeting.

Councilor Pietzold, has had a lot of feed back from small businesses, he asked who will enforce this, code enforcement, police, staff?

He is not worried about the big businesses, it is the small business owners, how will they be effected? How can we enforce it when there is not a state or federal law on it. How will you enforce it at other events, like sporting events, school events, with only having one code enforcement officer, how are we going to really hold business accountable? We want to be business friendly, how do we help the small businesses?

Councilor Lee, Portland, Corbett, Troutdale, and some other surrounding cities are going the same direction.

Councilor Hamblin, Getting back to the topic, do we want to move forward with the public hearings etc.

Councilor Exner, Could we include other plastic items, like straws, containers, other plastic items that are not reusable into a survey?

Councilor Hamblin, we could likely do research for grants, to purchase reusable bags for give away, with logos to help ease the issue with some of the smaller businesses.

7.2. Riparian Restoration Services Contract

Staff Report - 0040

Public Works Director, Mike Walker, Attached please find a proposal from the Clackamas River Basin Council (CRBC) for riparian planting and restoration services in the Tickle Creek basin. In lieu of payment of a civil penalty to DEQ for various water quality violations at the City's wastewater treatment plant we proposed a Supplemental Environmental Project (SEP) involving planting native plants adjacent to Tickle Creek under the BPA power line easement south of US 26. BPA does not allow or remove any trees under their power lines which in turn reduces stream shade and impacts water temperature. The proposal involves the planting of native shrubs, trees and grasses adjacent to the stream channel and upland from the channel. The City would secure agreements or easements from the property owner allowing us to perform and maintain the riparian plantings and work with BPA to gain approval for the plants proposed under their transmission lines. The remainder of the funds would go toward planting and maintenance for up to three years afterwards. If

we are unable to secure an agreement or an easement from the property owner CRBC has access to existing sites in the Tickle Creek and Deep Creek basins that could be used for riparian restoration projects. We solicited proposals from the Clackamas Soil and Water Conservation District and CRBC and received the attached proposal. CRBC has performed many similar projects and is familiar with the requirements for Supplemental Environmental Projects. CRBC has the staff and expertise to design, install and maintain the plantings until they are established.

Council had some questions regarding the area and topography of the area under the BPA power lines, and cost.

Moved by Jan Lee

Staff Report - 0040

Move to accept the proposal from Clackamas River Basin Council and direct staff to enter into an agreement for riparian planting services in the Tickle Creek Corridor.

Not to exceed 25,000.00

Second by John

CARRIED.

8. OLD BUSINESS

8.1. City Manager Search

Staff Report - 0038

City Manager, Kim Yamashita, At the last meeting staff was directed to come up with some options and make some changes in the option for a search of a new City Manager. Staff has two options still for you, Search Firm with a proposal and an updated varied approach for the City handling the recruitment.

Staff would like guidance on how to proceed. Human Resource Director, Angie Welty has completed changes with the feedback you gave at the last meeting. Human Resources Manager, Angie Welty, her understanding on what council wanted to see with the feedback that was given, and especially with my position of Human Resources Manager conducting the process, we have made

the addition of a hiring committee. When Human Resources goes out for recruitment, it is an external recruitment, it is not internal, internal just means we are not using or hiring a service to provide a search. Going with the committee to select the candidates, Human Resources is there as a guide to make sure protocols are being followed.

She is looking tonight for approval from you on how to proceed so she can get moving forward. This is a guideline, plan, it can be moved and massaged as we go through it.

Councilor Exner asked about staff time?

City Manager Kim Yamashita, Staff time will more than likely be about the same if not more if you use a search firm. We have already put in time to write an RFP, we would then have to review the responses back, come up with a process on who to hire, go to negotiations. That company would then still need from Staff, what we are looking for.

Councilor Exner, so for the 20,000 you have estimated what does a search firm do that we could not do?

Human Resources Manager, Angie Welty, They could have a source of higher end candidates because they do have people going to them to help them find what is open for jobs out there. They have different connections, but I think we can cast a wide enough net. If we end up struggling to find candidates it does not mean that we can not pursue the option of a search firm.

Councilor Lee, Read a couple of articles about outside recruiters not being able to make a good cultural fit. We are a small City with community spirit and people want to be involved in this process. She still feels very strongly about doing our own search. She does not see where and outside recruiter is going to lend itself that much to what we would need to do our HR Department would do all the same things.

Councilor Hamblin, he has gotten a lot of feedback, and has been asked a lot of questions and the consistent things he is hearing from folks is that we spend 75,000 on branding but this would be a 30-50,000 well spent. When we went through the process before we had a community that was expecting us to go through a search process and we changed our plans as a council as well.

About your comments about search firms search firms, the new president of MHCC who is a great fit for the community and Kim who was also hired through a search firm, if it comes down to quality of an employee, if we criticize a search firm process, we are also criticizing some of those employees hired by a search firm. He really feels like there is a lot of resistance back on using a search firm, causing him to dig his heels in a little bit and ask why is there so much resistance in using a search firm by staff? There is a vested interest to all city staff and we need to be cognoscente of that vested interest and the relationship each of those members play in that process as well. From an unbiased perspective to us a search firm, he feels is really a safe bet.

Councilor Exner, Feels the internal process is a fine way to go, especially with the supplemental budget changes.

Councilor Lee, feels transparency is the real issue, it is not an internal or external search, it is all an external search, its how we show the public the process.

Councilor Pietzold, agrees with Councilor Hamblin, he has had others speak out to him about going out for a search firm. He feels we need to spread the net far and wide. He realizes the variables are not the same as before, but people seem to be frustrated about the process before.

There was more discussion by council.

Mayor King, whether we use a search firm or whether or staff puts out the ads to bring people in, the bottom line at the end of the day is Council hires the City Manager not staff. And that is something they need to keep in mind, people keep saying staff shouldn't be hiring their boss, they are not. Council is, that burden falls on us.

There was more discussion by council and staff and the City Attorney.

Moved by Jan Lee, seconded by Carl Exner

Motion to approve the recruiting process led by the City.

CARRIED.

9. Consent Agenda

9.1. City Council Minutes

Moved by Carl Exner, seconded by Jeremy Pietzold

Modification to consent agenda for workshop, with the addition of straw pole capture.

CARRIED.

10. Report from the City Manager

10.1.

City Manager, The Clackamas County Health Department came out a while back asking for support for Retail Licensing on Tobacco sales, they have received support from 9 other cities ours was the first.

Open houses for Sandy Community Campus project on 9/8 9am -11am and 9/14 7pm-9pm at the Sandy Library community room.

She would like to do a new survey and ask questions about additional utility fee for parks and police operations and hold an open house. She has already written the ordinance for the utility fee, so it will be ready to go when the time comes.

11. Committee Reports

Councilor Pietzold, attended the parks board meeting last Wednesday, Kim presented information on park maintenance projects, work to get an inventory of all the parks equipment etc. Also looked at survey results from the longest day parkway. That survey is on the parks agenda if anyone would like to see the results.

Councilor Exner, Attended the C4 Meeting, it looks like they will be moving ahead with the vehicle registration fee, the County has the authority to implement with out a vote increase \$35.00 to your renewal, the funds would be put towards road related improvements for the county, 60/40 split County will get 60% City will get 40%. They talked about putting 1% in a strategic fund for projects that would benefit both parties. There will be more discussion to come on it.

Council had some questions about the 1%, they feel that the money needs to only be used for street repairs.

12. Council Reports

Councilor Exner, he has been asking residents about what they would like to see in the next four years, people are asking about of a strategic plan for our parks, can we look at having less parks, and put more money into fewer parks etc. Some discussion with council and Staff on the Parks issue.

Councilor Lee, just in going on with the parks, she is from the Bend area, and they have been able to accomplish a lot with a separate parks district, so that might be something for council to talk about down the road. She would like to thank staff for putting together the volunteer appreciation evening, everyone really appreciated the good music and dinner.

Councilor Pietzold, would like to thank staff as well for the volunteer appreciation evening. He would like to remind everyone that school started today, and he asked if there is a way ODOT could adjust the timing of the light at Hwy 26 and Bluff it seemed to be changing too quickly. Remember to keep your eyes out for the kids as well. He also noticed the trees that were coming down over by the post office and is aware

that it was something that was approved with a permit some time ago, they just are now doing something with the property.

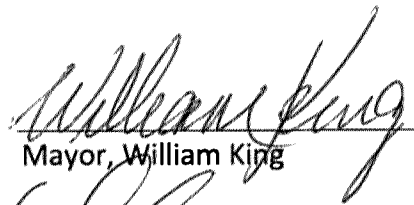
13. Staff updates

13.1. Monthly Reports

14. Adjourn

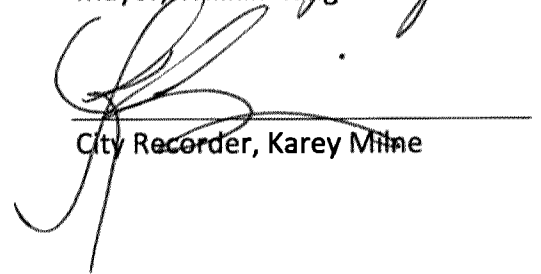
15. Executive Session

Executive Session ORS 196.660(2)(f) To Consider information on records that are exempt by law from public inspection.



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Mayor, William King



Handwritten signature of Karey Mine in cursive script, positioned above a horizontal line.

City Recorder, Karey Mine