

**CITY OF OREGON CITY
CITY COMMISSION
MEETING MINUTES**

March 17, 2010

1. [**Convene Regular Meeting of March 17, 2010, and Roll Call**](#)

Roll Call: Mayor Alice Norris; Commissioner Doug Neeley; Commissioner Rocky Smith, Jr.; Commissioner James Nicita; and Commissioner Daphne Wuest.

Staff Present: Larry Patterson, City Manager; Bill Kabeiseman, City Attorney; Nancy Kraushaar, City Engineer and Public Works Director; Scott Archer, Community Services Director; David Wimmer, Finance Director; Nancy Ide, City Recorder; Jim Loeffler, Human Resources Director; Mike Conrad, Police Chief and Public Safety Director; Maureen Cole, Library Director; Tony Konkol, Community Development Director; Teri Bankhead, Assistant to the City Manager; and Dan Drentlaw, Economic Development Manager.

Mayor Norris called the meeting to order at 7:11 p.m.

2. [**Flag Salute**](#)

3. [**Ceremonies, Proclamations, Presentations**](#)

Mayor Norris announced this was Larry Patterson's last meeting as City Manager. The new City Manager would be David Frasher from the City of Grants Pass. The decision to hire Mr. Frasher had been a unanimous Commission decision.

4. [**Citizen Comments**](#)

There were no citizen comments.

5. [**Adoption of the Agenda**](#)

The agenda was adopted as written.

6. [**Public Hearings**](#)

a. [**Code Amendments 6-Month Update, File No. L 08-01**](#)

Bill Kabeiseman, City Attorney, explained this was a land use hearing and discussed the requirements for the hearing. He asked if the Commission had any conflict of interest to declare. There was none.

Tony Konkol, Community Development Director, gave the background of the Code amendments which were adopted July 1, 2009 and as part of that adoption a six month review was included to address outstanding issues. On February 22, 2010, the Planning Commission recommended approval of the review to the City Commission. They held five hearings and made several changes.

A Work Session with the Planning Commission would be held in April to discuss the changes and the next City Commission public hearing would be held on April 21. The Planning Commission addressed the following issues in their review: temporary structures, archeological resources, commercial zoning in the South End area, Sign Code update, tree regulations on private property, Natural Resource Overlay District, low impact design standards for stormwater treatment in parking lots, exempting the screening requirement for solar and wind installations, changing the name of Concept Master Plan to General Master Plan, and removing the transportation review reference to offsite safety. The three re-zoning requests and request addressing lots created illegally would not be part of this process.

Commissioner Neeley asked for some added language regarding a review process of conservation easements should the easement be lifted.

Mayor Norris asked if staff could use Newell Creek Canyon as a case study for how the new Natural Resources Overlay District would work in practice.

Mayor Norris opened the public hearing.

Dan Berge of Oregon City owned property on Highway 213 and had previously asked for a zone change. The State granted him access to Highway 213 and he had a right-of-way easement for his commercial business. He also discussed the illegal lot creation of a property he owned. His neighbor was not willing to sign on the application and the property's value was reduced by the tax assessor. He was requesting an allowance to do something with the property.

Mayor Norris continued the public hearing to April 21, 2010.

7. **General Business**

a. **Purchase of Eastham School for Library**

Commissioner Smith stated he is an employee of the Oregon City School District and excused himself from the deliberations.

Maureen Cole, Library Director, discussed the seismic upgrades to the auditorium. Paul Boundy, LRS Architects, said the school fell under the 2003 code occupancy level 3. Commissioner Neeley wanted to know if the building could be used as a public facility to house citizens after a large earthquake.

Harryette Shuell, Vice Chair of the Library Board, said the Board supported the purchase of Eastham School as the only reasonable alternative for the relocation of the Oregon City Library.

Ms. Cole said they got the sale contract back from the School District and there were still things to work out.

Jolein Vona of Oregon City wanted to know how there could be a sales contract when the building had not been declared surplus property by the School District yet. Rod Boutin, attorney for the School District, said there was a document that was being negotiated that reflected the thinking of the buyer and seller. It had not been submitted to the District Board for its final action. When that occurred, the Board would pass the appropriate resolution.

Commissioner Neeley did not think it was an ideal place for the Library, however, any decision to build a new facility would have to go out for a bond and they had asked the citizens to do a great deal in the last four years for increasing taxes. In this economy he did not feel comfortable going out for another bond. There was a degree of urgency and the City could use the resources it had available. There was a need for a branch library system in the future, but they had to have a central facility.

Commissioner Nicita thought this building held a lot of promise as a Library. He was hung up on the asking price. He agreed this was not the time to go out for a bond issue, but it was also not the time to pay 1.1 million dollars above the appraisal price. He would not vote for moving forward with this. He proposed negotiating the price.

Commissioner Wuest said the appraised value was not the complete picture on the selling price. It was more than the price for a Library as there were many opportunities for the property other than Library use.

Mayor Norris explained how this facility solved many community problems. It didn't affect the taxes because it was already off the tax rolls, and she liked the fact of re-using the building. There were no good alternatives and there was a need for a full service Library. This would also help the School District.

Motion by Commissioner Doug Neeley, second by Commissioner Daphne Wuest to proceed with the negotiations with the School District for the procurement of Eastham School for a potential Library use.

A roll call was taken and the motion passed with Mayor Alice Norris, Commissioner Doug Neeley, Commissioner James Nicita, and Commissioner Daphne Wuest voting aye and Commissioner Rocky Smith, Jr. abstained. [4:0:1]

Commissioner Nicita was not in opposition to the wording of the current motion, but should the final contract come back that included a 4 million dollar asking price he would vote against it.

Commissioner Nicita said there would need to be a zone change for this use, and there was some concern about traffic on Molalla. The City had planned in the future for a roundabout at Eastham and it might improve the traffic situation. He wanted to bump up the roundabout in the priority so it could be considered in conjunction with the zone change application.

Nancy Kraushaar, City Engineer and Public Works Director, said the preliminary sketches were promising, however there were topographic issues at that intersection. Right now the SDC budget was low and she was not sure when it could be budgeted.

b. [Interim Location of Library](#)

Ms. Cole said the Library lease at Danielson's would end on May 31, 2010. She recommended if they were going to purchase Eastham and it would take less than one year to move into Eastham, to take temporary residence in the Carnegie Center. If it was longer than one year, to look at other options. She gave the advantages and disadvantages of using the Carnegie Center.

Commissioner Neeley discussed the benefits of another option, leasing of the antique mall. He thought they should explore the second alternative and make the decision at the next Commission meeting.

Commissioner Smith said the Carnegie was his preference. He discussed the concerns he had in regard to using that facility.

Mayor Norris said if they went with a non-Carnegie option the cost would come out of the remodeling cost for Eastham.

Commissioner Neeley suggested going through the re-use requirements for the Carnegie Center and requesting the owner of the antique mall to go through the re-use requirements simultaneously to have a back up plan.

William Gifford of Oregon City said they should have discussed the interim site earlier. He thought they could do both options and use the antique mall parking lot for the Carnegie.

Rolla Harding of Clackamas County and member of the Carnegie Center Task Force was disappointed this information was not given to the Task Force when they had worked hard on ideas for how the facility should be used.

Commissioner Smith apologized to the Carnegie Task Force, but he did not think there was any other choice but to support this.

Philip Yates of Oregon City thought they needed to sign a lease with the antique mall property owner before going through the re-use process.

Mr. Kabeiseman said the City should have some agreement put in place dependent on the re-use approval and it would probably mean some cost while the process was moving forward.

Motion by Commissioner Doug Neeley, second by Commissioner Daphne Wuest to direct City staff to pursue site plan review for the Carnegie Center and to negotiate with the owner of the antique mall to allow the City to pursue site plan review on this option as well with assurances that the City would be able to lease the space upon approval at a known cost.

A roll call was taken and the motion passed with Mayor Alice Norris, Commissioner Doug Neeley, Commissioner Rocky Smith, Jr., Commissioner James Nicita, and Commissioner Daphne Wuest voting aye. [5:0:0]

e. **Warner Milne Road Restriping with Bike Lanes from Molalla Avenue to Beavercreek Road**

This item would be discussed at the next Commission meeting.

f. **[Loan to South Fork Water Board](#)**

Randy Goff of HDR Engineering and John Collins, Executive Director of South Fork Water Board, gave a presentation on the issue of South Fork Water Board not meeting debt service coverage for 2008-09. The City raised the rates by 5% on July 1, 2009 to meet the coverage required by South Fork Water Board's bond covenants. Based on the current projections, the City would not meet debt service coverage for 2009-10 and beyond. Mr. Goff discussed the causes for the deficit and gave them options for dealing with the deficit. He suggested the City enter into a loan agreement to pay off the revenue bonds. The South Fork Water Board passed a resolution to approve Mr. Collins to

negotiate with the cities of Oregon City and West Linn regarding this issue. Mr. Goff said the City of Oregon City had funds to loan to South Fork and the City of West Linn was also liable for the debt because it was a joint entity.

Mr. Collins said the City of West Linn said they were not in a position to loan South Fork money. They would have equal liability but not equal cash outlay.

Mr. Goff discussed how this option would potentially affect the City's credit rating.

Mayor Norris said the other options were rate increases and this seemed to be the least cost and least risky alternative.

Commissioner Neeley thought they should have a discussion with South Fork and the cities of Oregon City and West Linn regarding this issue.

Commissioner Nicita said he had asked for a South Fork update several times and did not get one. He thought the City deserved a full disclosure of these issues.

Mayor Norris said they had not known about this issue for long. Mr. Collins said it wasn't until six weeks ago that they realized they were below the debt service coverage and he explained the reasons for the deficit.

Commissioner Smith voiced his concern about the process. This was a big decision and had an impact on the General Fund and he was glad they would not be making the decision that night.

Commissioner Wuest was open to having a Work Session with West Linn and thought the loan would be a benefit by generating five times more interest income.

Mr. Goff said they would be going to West Linn next week regarding this issue and it would be a joint decision between the two cities.

Mayor Norris said this issue would be put on the Commission's April Work Session.

Commissioner Nicita asked that the South Fork Water Board staff make a presentation and discuss the issues with the Citizen Involvement Council. He also proposed having a quarterly update from South Fork.

David Wimmer, Finance Director, discussed the City budget and what funds could be used for the loan.

c. [Request from Joseph and Loretta Roche for Payment of Legal Fees Associated with Sewer Claim](#)

Mr. Kabeiseman said in August 2007 there was a back up in a City sewer and it ended up in sewage flowing into the home of Joseph and Loretta Roche. This ended up in litigation with the Roche's trying to recover the costs and they received \$138,500. Because of the dispute between the insurance company and contractor, it cost the Roche's \$55,400 in attorney fees. They were requesting that the Commission consider reimbursing them for the attorney fees.

Commissioner Nicita thought it was an appropriate thing to do as the citizens bore no liability in this matter.

Motion by Commissioner James Nicita, second by Commissioner Rocky Smith, Jr. to reimburse the Roche family for their legal fees in the matter of Roche vs. the City of Oregon City in the amount of \$55,400.

A roll call was taken and the motion failed with Commissioner Rocky Smith, Jr., and Commissioner James Nicita voting aye and Mayor Alice Norris, Commissioner Doug Neeley, Commissioner Daphne Wuest voting no. [2:3:0]

Commissioner Neeley thought they should reimburse one third of the settlement amount.

Motion by Commissioner Doug Neeley, second by Commissioner Rocky Smith, Jr. to reimburse the Roche family for attorney fees in the amount of \$46,000.

A roll call was taken and the motion passed with Mayor Alice Norris, Commissioner Doug Neeley, Commissioner Rocky Smith, Jr., and Commissioner James Nicita voting aye and Commissioner Daphne Wuest voting no. [4:1:0]

Commissioner Wuest suggested paying half of the attorney fees. Commissioner Neeley was trying to be fiscally responsible yet compassionate towards what the Roche family had been through.

g. [Cooperative Improvement Agreement between City of Oregon City, Pacific Property Search and ODOT](#)

Dan Drentlaw, Economic Development Manager, said the agreement was a result of an amendment to the concept plan for the Cove project. This change was to include 220 apartment units and ODOT increased the payment of funds for transportation improvements from \$100,000 to \$120,000.

Motion by Commissioner Doug Neeley, second by Commissioner Daphne Wuest authorize the Mayor to sign the Cooperative Improvement Agreement between the City of Oregon City, Pacific Property Search, and ODOT changing the amount from \$100,000 to \$120,000.

A roll call was taken and the motion passed with Mayor Alice Norris, Commissioner Doug Neeley, Commissioner Rocky Smith, Jr., Commissioner James Nicita, and Commissioner Daphne Wuest voting aye. [5:0:0]

h. [Resolution No. 10-06 Authorizing the City of Oregon City to Apply for a Local Government Grant from the Oregon Parks and Recreation Department for Development of Canemah Neighborhood Park](#)

Scott Archer, Community Services Director, said the resolution was required to apply for grant funding for Canemah Park. If they were successful, the City would receive funding along with a 50% match of Park SDCs to build the Canemah Park Plan.

Motion by Commissioner Daphne Wuest, second by Commissioner Rocky Smith, Jr. approve Resolution No. 10-06, authorizing the City of Oregon City to apply for a local government

grant from the Oregon Parks and Recreation Department for development of Canemah Neighborhood Park.

A roll call was taken and the motion passed with Mayor Alice Norris, Commissioner Doug Neeley, Commissioner Rocky Smith, Jr., and Commissioner Daphne Wuest voting aye. [4:0:0]

- d. [Resolution No. 10-07 Supporting the City's Transportation and Growth Management Grant Application to the Oregon Department of Transportation to Update the Transportation System Plan](#)

Mr. Konkol said this grant would allow staff to update the Transportation System Plan. The grant was for \$260,000 plus additional in kind staff services and time.

Motion by Commissioner Doug Neeley, second by Commissioner Rocky Smith, Jr. approve Resolution No. 10-07, supporting the City's Transportation and Growth Management Grant application to the Oregon Department of Transportation to update the Transportation System Plan.

A roll call was taken and the motion passed with Mayor Alice Norris, Commissioner Doug Neeley, Commissioner Rocky Smith, Jr., Commissioner James Nicita, and Commissioner Daphne Wuest voting aye. [5:0:0]

- j. [2010 City Commission Goals and Action](#)

Motion by Commissioner Doug Neeley, second by Commissioner Rocky Smith, Jr. to adopt the 2010 City Commission Goals and Actions.

A roll call was taken and the motion passed with Mayor Alice Norris, Commissioner Doug Neeley, Commissioner Rocky Smith, Jr., Commissioner James Nicita, and Commissioner Daphne Wuest voting aye. [5:0:0]

- i. [Employment Agreement for the Position of City Manager](#)

Jim Loeffler, Human Resources Director, explained the four month recruitment process for the City Manager position. He thought the Commission had chosen the best candidate.

Motion by Commissioner James Nicita, second by Commissioner Rocky Smith, Jr. approve the employment agreement between the City of Oregon City and David W. Frasher for the position of City Manager of Oregon City.

A roll call was taken and the motion passed with Mayor Alice Norris, Commissioner Doug Neeley, Commissioner Rocky Smith, Jr., Commissioner James Nicita, and Commissioner Daphne Wuest voting aye. [5:0:0]

Commissioner Nicita said it had been important to get the citizen and stakeholder input in this decision and because of the positive feedback, Mr. Frasher rose to the top of the list. This was a unanimous Commission decision.

Commissioner Smith was happy about the process.

Commissioner Wuest thanked Mr. Loeffler for his work.

Commissioner Neeley discussed the evaluation process and how the Commission agreed on the top candidates and the final choice.

8. [Consent Agenda](#)

- a. **OLCC Liquor License Application, Limited on Premise Sales, Applying as a Limited Liability Company, Pizano's Restaurant Group, LLC, DBA Pizano's Pizza, Located at 19550 Molalla Ave., #145, Oregon City**
- b. **Extension of Library Lease to May 31, 2010**
- c. **Minutes of the March 3, 2010 Regular Meeting (all present)**

Motion by Commissioner Daphne Wuest, second by Commissioner James Nicita approve the Consent Agenda as presented.

A roll call was taken and the motion passed with Mayor Alice Norris, Commissioner Doug Neeley, Commissioner Rocky Smith, Jr., Commissioner James Nicita, and Commissioner Daphne Wuest voting aye. [5:0:0]

9. **Communications**

a. [City Manager](#)

Claire Met, Program Assistant for the Pioneer Community Center, said March was the Meals on Wheels March For Meals campaign and explained how to donate to the program. She thanked the Clackamas Community Federal Credit Union for their work on the campaign.

Mr. Konkol reviewed the process for the Conditional Use Permit for the Farmers Market downtown. The Market wanted to be open 12-7 p.m. on Wednesdays and Saturdays. It was an outright permitted use on weekends and after 6 p.m. on weekdays, and was a conditional use if it was prior to 6 p.m. on weekdays. The Market wanted to start the first week in May, but that would be difficult to meet. He gave the Commission some options for dealing with the situation.

The Commission agreed to go through the process and obtain a Conditional Use Permit even though it might delay the Market.

Commissioner Neeley asked about lighting for the Farmers Market if it started late and staff would have to check into the option.

Mr. Patterson said staff was looking into the expansion of the Conference Room. He appreciated working with the Commission, citizens, and staff.

b. [Mayor](#)

- 1. **Mayoral Appointment of Justin Carlton to the Budget Committee for the term March 17, 2010 to December 31, 2012.**

2. **Mayoral Appointments of Tina Hansen, Casey Flesch, and Warren Kitchen to the Urban Renewal Budget Committee for the term March 17, 2010 to December 31, 2012.**
3. **Mayoral Appointment of Tara Choate to the Clackamas Cable Access Board for the term March 17, 2010 to December 31, 2013.**

Mayor Norris appointed Justin Carlton to the Budget Committee for the term March 17 2010 to December 31, 2012; Tina Hansen, Casey Flesch, and Warren Kitchen to the Urban Renewal Budget Committee for the term March 17, 2010 to December 31, 2012; Tara Choate to the Clackamas Cable Access Board for the term March 17, 2010 to December 31, 2013; and Tina Hanson to OCCIT for the term March 17, 2010 to December 31, 2013.

Mayor Norris read a proclamation proclaiming March 31, 2010 as Larry Patterson Day to express appreciation for the many contributions Mr. Patterson made to the City.

Mayor Norris reported on the JPAC trip to Washington D.C. Everything besides health care and jobs was on hold. She gave the options that were discussed for funding transportation.

c. **Commissioners**

Commissioner Wuest expressed her appreciation for Mr. Patterson and how she learned her role of City Commissioner from him.

Commissioner Neeley explained how there had been greater progress made in the City under Mr. Patterson's tenure.

Commissioner Smith said Oregon City was better because of Mr. Patterson and appreciated the effort to work with a divided Commission and bridge the gap.

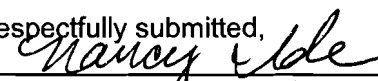
Commissioner Neeley said MPAC was discussing climate issues and goals set forward by the State, which was reducing greenhouse emissions by 75% by 2050 compared to the 1990 levels. There would be a joint JPAC and MPAC retreat on April 2 regarding climate and community prosperity. The challenge would be meeting these goals, especially an 85% reduction in carbon emissions per individual.

Teri Bankhead, Assistant to the City Manager, said AMS Consulting, the consultant for the End of the Oregon Trail Interpretive Center, was coming to town April 6-8. The sub-committee included Commissioners Smith and Neeley, Scott Archer, herself, and Lloyd Purdy and they discussed who to invite. The consultants would meet with the task force and conduct interviews.

10. **Adjournment**

Mayor Norris adjourned the meeting at 10:54 p.m.

Respectfully submitted,


Nancy Ide, City Recorder