



CITY COUNCIL MEETING

Monday, March 17, 2025 at 6:00 PM
Sandy City Hall and via Zoom

MINUTES

WORK SESSION – 6:00 PM

1. Discussion: Moratorium Revisions and Alternative Wastewater Systems

The City Attorney provided an overview of the discussion topics and summarized the staff report in the meeting packet. Council discussion ensued on the following topics:

Discussion related to the proposed Moratorium 4.0

- Discussion regarding the ERU reassignment program:
 - Questions as to whether ERUs can be reassigned from existing buildings
 - Concern about the creation of abandoned or 'zombie buildings' if ERUs are taken away from existing structures
 - Discussion as to whether the City should require or incentivize demolition of buildings in the event that their ERUs are reassigned, to avoid zombie buildings
 - Suggestion to codify the approach used to administer ERUs for properties undergoing demolition, as recently occurred on Pioneer Blvd
- Discussion regarding the City's policy to remove water meters in the event of extended non-payment; questions as to whether a property loses its ERU rights in such a scenario; questions as to what becomes of ERUs if they are lost
- Distinctions between the ERU allocation program and the reassignment program
- Discussion regarding ERU allocation extensions
 - Differences between ERU allocation extensions and land use approval extensions
 - Concern regarding potential confusion between the ERU allocation and land use approval processes generally
 - Acknowledgement that both land use approval and ERU allocation are necessary for property development
 - Direction to staff to add an approval criterion to Section 8 of Moratorium 4.0 to require active land use approval in order to receive an ERU allocation extension
 - Clarification that the application period under the recent land use approval extension ordinance expires this upcoming May
- Concerns regarding unfairness for those still unable to submit land use applications
- Suggestion that property owners should be able to do as they wish with their ERUs
- Discussion regarding the City's level of control over the ERU market generally
 - Note that the City can retain control over the process through land use regulation and deed restrictions where applicable

- Discussion regarding requirements imposed on the City under Oregon HB 2001, and the City's administrative and regulatory practices to comply with the statute
- Concern about creating a monetary or trading market around ERUs, potentially driving speculation and price increases
- Note that the rationale for creating the reassignment program was to ensure that the City can see some development value from the ERUs that exist; recognition that Moratorium 4.0 could allow ERU reassignment to properties along the new 362nd / Bell street
- Concern about the City potentially being blamed if a property owner is left without development options
- Suggestion to publish a listing of current ERU allocations
- Acknowledgement of the future need to develop an allocation program for additional ERUs the City hopes to secure from regulators
- Discussion of the possibility of establishing a minimum holding period for ERUs to reduce speculation; note that an ERU allocation carries a definite expiration date regardless of how many times it might be reassigned

Discussion related to alternative wastewater systems

The City Attorney clarified that septic systems would fall under the more robust approval criteria in Section 4. It was noted that treatment systems for residential development are not envisioned under this proposal. Concern was expressed about having too many porta potties, and that perhaps a policy preference can be established encouraging more advanced systems for large developments. Discussion ensued regarding a possible expiration date for porta potties; Section 5(b) was highlighted. It was suggested that code language needs to be revised to address situations in which properties are close to existing sewer infrastructure on Bell Rd. It was also suggested that it will be important to ensure that infrastructure is installed to fully connect properties to the sewer system in the future, including extending mainlines to the furthest extent of properties where applicable.

REGULAR MEETING – 7:30 PM

PLEDGE OF ALLEGIANCE

ROLL CALL

PRESENT

Mayor Kathleen Walker
 Council President Don Hokanson
 Councilor Chris Mayton
 Councilor Laurie Smallwood
 Councilor Rich Sheldon
 Councilor Kristina Ramseyer
 Councilor Lindy Hanley

CHANGES TO THE AGENDA

(none)

PUBLIC COMMENT (3-minute limit)

(none)

RESPONSE TO PREVIOUS COMMENTS

(none)

CONSENT AGENDA

2. City Council Minutes: March 3, 2025

MOTION: Adopt the consent agenda

Motion made by Council President Hokanson, Seconded by Councilor Ramseyer.

Voting Yea: Mayor Walker, Council President Hokanson, Councilor Mayton, Councilor Smallwood, Councilor Sheldon, Councilor Ramseyer, Councilor Hanley

MOTION CARRIED: 7-0

RESOLUTIONS

3. PUBLIC HEARING: Resolution 2025-11 – Adopting a New Methodology for Water and Wastewater System Development Charges

Abstentions

(none)

Conflicts of Interest

(none)

Staff Report

The City Manager summarized the staff report in the meeting packet. The Council expressed a desire to understand how recently comparable city SDC methodologies and rates were adopted. It was noted that many cities in the region have been increasing SDCs recently. Further discussion involved the history and purpose of SDCs generally. It was also noted that adjusting actual SDC rates for Sandy involves a separate process.

Public Testimony

(none)

MOTION: Close the public hearing

Motion made by Councilor Sheldon, Seconded by Councilor Hanley.

Voting Yea: Mayor Walker, Council President Hokanson, Councilor Mayton, Councilor Smallwood, Councilor Sheldon, Councilor Ramseyer, Councilor Hanley

MOTION CARRIED: 7-0

Council Discussion

- Concern that the Parks SDC is too high
- Concern that the cost basis for wastewater is too low; it was noted that only the portion of improvements that actually expand system capacity can be factored. It was also suggested that the City's unique situation and development moratorium is not contemplated under current SDC law.
- Suggestion that the wastewater SDC methodology should be revisited again when the facility plan amendment is adopted
- Discussion of the particular components of SDC calculations
- Suggestion to show how Sandy's increased water and wastewater rates would compare to other cities
- Direction to staff to prepare an agenda item in the near future to raise SDC rates to the maximum defensible levels for water and wastewater

MOTION: Adopt Resolution 2025-11

Motion made by Councilor Ramseyer, Seconded by Councilor Sheldon.

Voting Yea: Mayor Walker, Council President Hokanson, Councilor Mayton, Councilor Smallwood, Councilor Sheldon, Councilor Ramseyer, Councilor Hanley

MOTION CARRIED: 7-0

NEW BUSINESS

4. Budget Committee Appointments

MOTION: Appoint Amelia Page, Linda Malone, Carl Exner, Darren Wegener, and Art O'Leary to the Budget Committee as included in the staff report

Motion made by Councilor Smallwood, Seconded by Council President Hokanson.

Voting Yea: Mayor Walker, Council President Hokanson, Councilor Mayton, Councilor Smallwood, Councilor Sheldon, Councilor Ramseyer, Councilor Hanley

MOTION CARRIED: 7-0

5. Resolution 2025-10: Application for Local Government Grant Program for Meinig Park Improvements

The Parks and Recreation Director summarized the staff report in the meeting packet. Council discussion involved clarification on the proposed lighting improvements, the proposed timeline for completion in 2026, discussion of possible usage of Urban Renewal funding pending Agency approval, and the need to ensure construction coordination with the Mt. Festival.

MOTION: Adopt Resolution 2025-10

Motion made by Councilor Sheldon, Seconded by Councilor Mayton.

Voting Yea: Mayor Walker, Council President Hokanson, Councilor Mayton, Councilor Smallwood, Councilor Sheldon, Councilor Ramseyer, Councilor Hanley

MOTION CARRIED: 7-0

6. City Manager Employment Agreement Update

The City Attorney summarized the staff report in the meeting packet and provided clarification on the definition of not-for-cause termination. The Mayor provided further remarks on the context and rationale for the proposed contract amendments.

During further Council discussion, it was suggested that severance for not-for-cause termination should instead be provided in a lump sum payment. It was also noted that the City should develop parameters related to temporary work in different compensation ranges.

MOTION: Approve the proposed amendment to the city manager contract with Tyler Deems and authorize the Mayor to sign the amendment on behalf of the City, with the amendment that severance for not-for-cause termination shall be paid in one lump sum

Motion made by Councilor Sheldon, Seconded by Council President Hokanson.

Voting Yea: Mayor Walker, Council President Hokanson, Councilor Mayton, Councilor Smallwood, Councilor Sheldon, Councilor Ramseyer, Councilor Hanley

MOTION CARRIED: 7-0

REPORT FROM THE CITY MANAGER

- Thanks for the contract amendments; appreciation for City staff
- Updates on hiring processes for Community Service Officer and Public Works Director
- Update on schedule for receiving the City's credit rating
- Government Relations update: Nellie deVries summarized the capital construction funding process underway in the Legislature and the City's ongoing meetings with appropriators

COMMITTEE / COUNCIL REPORTS

Council President Hokanson

- Suggestion for staff to address the road pavement issues at the intersection of Procter and Meinig

Councilor Hanley

- Praise for the new teen librarian and the new programming being offered
- Update on Mt. Festival

Councilor Ramseyer

- Suggestion that the City should ensure accountability for the funds it grants to outside entities
- Praise for the repair work underway at Cedar Park

Councilor Sheldon

- Update on the transportation discussions held at C-4 and the desired letters of support

Councilor Smallwood

- Recognition of Linda Malone's husband's passing
- Note that the school district intends to pursue its bond at a later date rather than at the May election

Councilor Mayton

- Mt Hood Economic Alliance meeting is upcoming

Mayor Walker

- Praise for the recent updates to the draft SandyNet Master Plan
- Summary of upcoming meetings with state legislators
- Praise for the Police Department's response to recent calls for service
- Note of an upcoming Clackamas County public input forum in Sandy on March 27th
- A community livability committee will be convened soon
- Emphasis on the need to move forward with economic development efforts

STAFF UPDATES

Monthly Reports: <https://reports.cityofsandy.com/>

ADJOURN

EXECUTIVE SESSION: The City Council met in executive session pursuant to ORS 192.660(2)(f)&(h)