



# CITY COUNCIL MEETING

Monday, November 18, 2024 at 7:00 PM  
Sandy City Hall and via Zoom

## MINUTES

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### PLEDGE OF ALLEGIANCE

### ROLL CALL

#### PRESENT

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

### CHANGES TO THE AGENDA

(none)

### OATHS OF OFFICE

1. Officer Oath - Samantha Bergland
2. Officer Oath - Kelsey Neubauer

The Mayor administered the oath of office to both officers. After the oaths photos were taken.

### PUBLIC COMMENT (3-minute limit)

Carl Exner: Former councilor Exner spoke about the nature of holding elected office. He congratulated those who were elected and reminded everyone of the high importance of the oath they have taken / will take. He provided observations on the system of representative democracy and the need to keep the interests of citizens in mind at all times. He reflected on the gravity of the Council's responsibilities and the need to make difficult decisions. He recited the preambles to the United States and Oregon constitutions. He stated that he prays for the Council, and he provided copies of the constitution for Council Members.

### RESPONSE TO PREVIOUS COMMENTS

(none)

## CONSENT AGENDA

3. City Council Minutes: November 4, 2024

### **MOTION: Adopt the Consent agenda**

Motion made by Councilor Hokanson, Seconded by Councilor Sheldon.

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

### **MOTION CARRIED: 7-0**

## NEW BUSINESS

4. Discussion: Updates to Water and Wastewater System Development Charges (SDCs)

The City Manager summarized the staff report, which was included in the meeting packet. John Ghilarducci with FCS was present to deliver presentation slides, which were also included in the packet.

Council discussion ensued on the following topics:

- Discussion on the relatively small amount of reimbursement fee basis, due to the lack of extra capacity in either the water or wastewater systems; note that the connection to Bull Run does provide increased capacity
- Clarification on the calculation of reimbursement fees and improvement fees
- Discussion on the usage of SDC funds to service debt
- Discussion on the need to use SDC funds as much as possible rather than rates; note that the diminished capacity of the systems was driven by growth
- Note that the urgency of completing the capital projects necessitates the collection of rate revenue now, rather than waiting for SDC funds to be collected over ensuing years
- Clarification on the total cost of water projects over future years
- Discussion on previously paid SDCs and the need to ensure that the City is recouping the cost of previous system investments
- Emphasis on the need to regularly update SDC methodologies and capital project lists
- Discussion on whether future increases can make up for rates that were previously artificially low
- Discussion on rate comparisons with other cities, including Gladstone, Cornelius, and Gresham
- Suggestion that while some SDCs fund aspirational goals, water and wastewater projects are essential. The cost of these projects will be borne by ratepayers to a greater degree if SDCs are not increased
- Request to show how recently comparison city SDCs were set
- Discussion on the accuracy of comparison SDCs shown in the presentation, relative to information available from the League of Oregon Cities
- Discussion on the apparently incorrect population figures listed in the presentation

- Discussion on the assumed rate of population growth listed in the presentation, especially in light of the City's development moratorium
- Discussion on the potential for changing the Project ID listed in the cost basis
- Suggestion to adopt a new methodology after the wastewater facility plan amendment is completed, especially if the plan shows increased capacity at that point
- Suggestion that the Council should update the methodology now with the information currently in hand, as SDCs were too low for years
- Emphasis on the need to correct errors in the report before adoption
- Note that development projects that have not yet pulled permits have not yet paid SDCs; question to staff on how much the City anticipates collecting in SDCs from projects currently in the development queue
- Suggestion that capital project needs are different between outlying cities like Sandy and closer-in cities that are already built out
- Suggestion that data is inconclusive on whether there is a relationship between higher SDCs and increased housing costs; higher SDCs tend to exist in more affluent communities
- Discussion on the possibility of scaling charges on factors other than meter size, such as number of rooms or bathrooms
- Questions regarding SDC overlay districts in other communities
- Discussion on the need to develop a stormwater master plan and corresponding SDC

The consensus of the Council was that staff should initiate the 90-day notice required before methodology adoption.

#### 5. Discussion: Updates to City Fees and Charges

The City Manager summarized the staff report, which was included in the meeting packet. John Ghilarducci with FCS was present to deliver presentation slides, which were also included in the packet.

Council discussion ensued on the following topics:

- Discussion on whether raising SDCs would lessen the need to raise utility rates
- Discussion on the estimated increases in average bills
- Suggestion that including SandyNet charges in bill estimates makes apples to apples comparisons with other cities difficult
- Discussion on debt issuance versus cash funding for projects
- Explanation of coverage requirements for debt service
- Note that funding sources in the rate model can be changed if future grants are secured
- Discussion on how increased SDC revenue is accounted for in the rate model
- Discussion on alternative rate structure methods for wastewater
- Suggestion that the City should regularly examine its financial position and potentially pay off loans when it makes financial sense to do so
- Discussion on why multifamily rates differ from single family rates
- Discussion on the need to ensure Skyview Acres rate reflects the cost of providing them service; desire from the Council to stay apprised of progress in updating the arrangement with Skyview

- Discussion on the benefits of moving the regular rate increase schedule back to winter rather than summer
- Note that the comparison chart should be consistent with the consumption rate used in other City communications
- Discussion on the unsustainability of continuing large increases over time
- Note that the City needs a large infusion of grant funding to meaningfully lessen the need for rate increases
- Discussion on the mix of funding sources being used for capital projects
- Suggestion to amend the eligibility requirements for utility assistance programs to allow more people to qualify
- Concern about the increasing cost of living for residents

## **REPORT FROM THE CITY MANAGER**

- Update on the Public Works Director recruitment
- Update on the effort to increase building security at City Hall

## **COMMITTEE / COUNCIL REPORTS**

### Councilor Hokanson

- Suggestion to ensure that more history and context on the need for utility rate increases is added to the staff report for the public hearing at the next meeting
- Suggestion to explore building security options that can utilize smartphones

### Councilor Hanley

- Suggestion to increase public communications on rate increases, including information on ways to conserve water

### Councilor Walker

- Observations on Cedar Park; suggestion to institute an ambassador program to set behavior expectations; suggestion to add more trash cans
- Note that Parks and Trails Advisory Board interviews are ongoing

### Councilor Sheldon

(none)

### Council President Smallwood

- The Parks and Trails Advisory Board s discussing budget issues and will develop a request for the Budget Committee

### Councilor Mayton

(none)

## Mayor Pulliam

- A new EPA director may present opportunities for the City
- Reminder about the tree lighting on Friday
- Reminder about the event honoring former councilor Exner on Thursday
- Acknowledgement of all candidates in the recent election
- Note on the Vietnam memorial dedication in Salem
- Note that Representative Drazen and Senator Bonham will serve as leaders in the Legislature

## **STAFF UPDATES**

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

## **ADJOURN**

**EXECUTIVE SESSION:** The City Council met in executive session pursuant to ORS 192.660(2)(i)