



SHERWOOD CITY COUNCIL MEETING MINUTES
22560 SW Pine St., Sherwood, Or
February 6, 2024

WORK SESSION

1. **CALL TO ORDER:** Mayor Rosener called the meeting to order at 5:45 pm.
2. **COUNCIL PRESENT:** Mayor Tim Rosener, Council President Kim Young, Councilors Keith Mays, Dan Standke, Taylor Giles, and Renee Brouse. Councilor Doug Scott was absent.
3. **STAFF PRESENT:** City Manager Pro Tem Craig Sheldon, Assistant City Manager Kristen Switzer, IT Director Brad Crawford, Finance Director David Bodway, Economic Development Manager Bruce Coleman, City Attorney Ryan Adams, Community Development Director Eric Rutledge, Police Chief Ty Hanlon, HR Director Lydia McEvoy, Senior Planner Joy Chang, Records Technician Katie Corgan, and City Recorder Sylvia Murphy.
4. **TOPICS:**

A. Annexation Policy & Agreements

Community Development Director Eric Rutledge presented the "Draft Annexation Policy" PowerPoint presentation (see record, Exhibit A) and explained that the creation of an annexation policy was a Council deliverable under Economic Development. He stated that annexation policies would help manage the city's growth goals as it related to infrastructure, school capacity, and long-term community needs. He explained that the proposed annexation policy would apply to all unincorporated areas within Sherwood's UGB, mainly the Brookman Addition, TEA, and Sherwood West, along with several other small infill areas. He stated that City Council would be the approval body for annexations, and appeals would be heard by the Land Use Board of Appeals. He stated that annexation agreements were fairly common in other jurisdictions. He explained that annexation agreements helped guide the annexation process and ensured that public facilities were met along with any stipulated master plans. He outlined that the Sherwood Municipal Code would state that applicants must develop an annexation agreement and include that annexation agreement with their annexation application. He explained that the agreement would primarily be negotiated between city staff and the applicant prior to being presented to Council. He noted that Council had the authority to modify the agreement if there were elements they did not like. Mr. Rutledge outlined that annexation agreements would require applicants to identify transportation facilities that were required to serve the development at full build out of the site; certify that water, sanitary, and storm sewer capacity was available or would be available within 18 months of annexation; and would require that applicants guarantee any needed public improvements to serve the site or limit the development. He added that the policy would also allow the city to waive the annexation agreement if the site was determined to be small enough. He explained that once this policy was passed by Council, any property that was not currently within the city would be subject to the ordinance. He provided an overview of the approval criteria and explained that annexation must be

determined to be in the best interest of the city; applicants must demonstrate that adequate public facilities and services could be provided to the site; public facilities and services must be provided in an orderly, efficient, and timely manner; Metro and State annexation regulations would continue to apply; and clear and objective standards did not apply to annexations. Community Development Director Rutledge stated that HB 1573 would still apply, but the city's policy would help give the city more control over what properties were coming into the city and the annexation policy would be added to the SZCDC. Discussion regarding the city's previous ability to control annexations occurred. Mr. Rutledge explained that the annexation policy would require that applicants provide the city with a traffic impact analysis for staff to review prior to processing the annexation application. He referred to the approval criteria and reported that he had forwarded the draft policy to Metro for comment and explained that if the policy moved forward, the city would also send notice to DLCD for their comments. He referred to zoning and explained that the zoning map would automatically apply once the annexation was approved, unless the applicant received approval of a concurrent zone change and stated that Council was the approval body for such decisions. Community Development Director Rutledge asked Council if the annexation policy should apply within all growth areas of the city's UGB. He stated that he recommended that the annexation policy apply to all growth areas of the city's UGB and explained how having an annexation policy in place could help developers who may be interested in Sherwood. Council President Young referred to Council's ability to waive the annexation agreement requirement and asked if that was equitable. Councilor Mays replied that as long as there was a staff report recommending the waiving of the annexation agreement based on staff's findings, then it was a justifiable argument for the waiving of the annexation agreement. Councilor Giles asked if implementing this policy could slow down development and Mr. Rutledge replied that it was a possibility. Community Development Director Rutledge clarified that implementing an annexation agreement policy would result in more processing and upfront costs. He continued that depending on the developer, having an annexation agreement in place could discourage some developers from being interested in Sherwood. He stated that both he and Economic Development Manager Bruce Coleman would be available to meet with developers early on in the process to help guide prospective developers through the city's annexation policy. He commented that if the city was able to address those difficulties early on in the process, it would be better for the city in the long term. Mr. Rutledge outlined that the Planning Department would likely lead the process and the Engineering Department would be conducting the review of the applications. Mayor Rosener asked Council if they would like staff to move forward with the annexation policy and Council signaled their agreement.

Record note: Prior to the meeting, Community Development Director Eric Rutledge provided Council with the draft Annexation Policy (see record, Exhibit B).

B. Annual Housing Report

Community Development Director Rutledge presented the "Annual Housing Report" PowerPoint presentation (see record, Exhibit C) and stated that developing an annual report on housing was a Council deliverable under Council Pillar 3: Livability and Workability. He recapped previous work session discussion regarding the 2022 Housing Report and explained that Council had asked that a definitions section be added, a section be added explaining the barriers to housing production, and a vacant land inventory map be added to the Annual Housing Report. He referred to the 2023 Annual Housing Report (see record, Exhibit D) and recapped that the 2023 Land Use Applications included a partition of a property on Sunset Boulevard and a zone change in Sherwood Plaza. He outlined that 87% of the residential units permitted in 2023 were single-family detached, 10% were multi-family, and 3% were ADU. He stated that there were 53 residential units constructed in 2023, 98% of which were single-family detached. Mr. Rutledge summarized the five-year history of residential units permitted and residential units constructed and reported that the 2022 and 2023 figures were similar. Discussion regarding interest rate increases occurred and Mr. Rutledge commented

that it would likely be several more years before the impact from interest rate changes could be determined. He outlined that the barriers to housing production included: infrastructure timing and cost; high land costs, especially within the Portland Metro region; high construction materials costs; high construction labor costs; limited skilled labor; and physically constrained land. He stated that the city would send the report to the DLCD and would publish the report on the city's website and explained that the Annual Housing Report could be used as an informational resource for local policy making, advocacy at the state and regional level, and could be used to pursue funding opportunities.

C. Donation Leave Policy

HR Director Lydia McEvoy presented the "Leave Donation Policy" PowerPoint presentation (see record, Exhibit E) and provided background on the program. She explained that Council had previously approved a temporary policy via Resolution 2018-077, which ran from September 2018-September 2019, and the policy applied to all represented and non-represented probationary and regular status city employees who were eligible to earn PTO and Sick leave. She provided an overview of the new proposed policy on page 3 of the presentation and explained that the policy was: voluntary; eligibility was stricter than the temporary 2018 policy and noted that the updated policy endeavored to mirror FMLA and Paid Leave Oregon guidelines more closely; six months service eligibility timelines for Medical Emergency and 30-day eligibility timelines for death of a spouse, child, or parent. She explained that currently, staff was not permitted to use their sick leave for the first 90 days of employment, and PTO could not be used for the first six months of employment. She explained that the city wanted to provide more flexibility for extreme scenarios that some new employees may experience. She reported that the new policy stipulated that donated leave could only come from PTO banks; employees asking to utilize the program must have exhausted all other Paid Leave alternatives prior to using donated leave; and leave could only be donated on an hour-for-hour basis and had no regard to dollar value. Ms. McEvoy explained that due to IRS stipulations, all donated leave would be placed in a pool administered by the HR Department and the leave could then be allocated out to an individual or individuals. Finally, all requests needed to be approved by the HR Department, Department Director, and City Manager. She asked for Council feedback on the proposed policy and Councilor Standke asked if there were restrictions around when or who could donate their time. Director McEvoy replied that an employee wishing to donate must have a minimum leave bank, the leave could only be taken from the employee's PTO bank, and the minimum donation length was one hour. She noted that the policy used the definitions provided in the Family Medical Leave Act. Councilor Giles asked if it was common to have the 30-day waiting period to be eligible to use this type of program and City Attorney Ryan Adams replied that the City Manager would have the authority to waive the 30-day waiting period. Ms. McEvoy added that that stipulation could be added to the policy and recommended that staff intervene as little as possible in order to minimize risk. Council President Young asked if those donating leave needed to maintain a minimum balance and Ms. McEvoy replied that it was the donating employee's decision to donate as much or as little leave as they wanted with the knowledge that once donated, the hours could not be rescinded. Council President Young asked regarding the stipulation that those asking to receive donated leave could not have more than 40 hours of unused PTO. Ms. McEvoy explained that the stipulation was to provide a buffer period for employees realizing they would need to utilize the program. She reported that the proposed policy had been reviewed by CIS and explained that it would be fairly rare for an employee needing to utilize the program. City Manager Pro Tem Sheldon explained that if approved by Council, this policy would be added to the new employee handbook and could be updated as needed.

Record note: Prior to the meeting, HR Manager Lydia McEvoy provided Council with the draft Leave Donation Policy (see record, Exhibit F).

D. Workback Program

HR Director Lydia McEvoy presented the "PERS Workback Policy Extension" PowerPoint presentation (see record, Exhibit G) and provided background. She stated that the PERS Workback policy was first approved by Council in August 2022, and the policy was intended to help the city address a potential increase in retirements, fill skills gaps, and assist with the unfunded liability in the PERS system in the Police Department. She reported that SB 1049 had been extended and would now be sunset in 2035. She explained that a PERS retiree was eligible to work for any private employer in Oregon or any public or private employer outside of Oregon without limitation. She commented that skills built inside the public sector could be lost if eligible employees went to the private sector. She explained that the Workback program would allow an employee who had served their time in PERS to retire and receive their benefits and then return to work for a PERS-eligible employer. Mayor Rosener stated that the Workback program would be a benefit to the employee and the city because the city would not need to pay the 6% employer contribution. Councilor Mays commented that he was only in favor of using this program in extreme situations as he felt there was not a big enough benefit. Ms. McEvoy replied that the Workback program provided both a recruitment benefit and a retention benefit. She reported that at the end of 2024, 18 employees would have 20+ years of service and commented that this presented a risk to the level of skills and experience that the city could lose if those employees retired. She reported that 19% of the city's workforce was over 55 years of age, 15 employees would be eligible to retire between now and December 2026, and 11 employees were currently eligible for early retirement. She outlined the benefits of the PERS Workback program within the Sherwood Police Department and explained that the program allowed for successful Career Cycle Planning (CCP) as well as the successful external recruitment of a highly experienced Police Captain. She stated that she proposed opening the program for citywide use. She explained that because the PERS Workback program was not offered citywide, the city had lost a highly skilled specialist employee who upon retirement began working for another public employer and Sherwood had been openly recruiting to fill the position for 18 months. Director McEvoy recapped the benefits of the program and explained that the city would not have to pay the 6% PERS contribution pickup, the program would encourage employees to proactively discuss their retirement plans, and it provided better CCP and time to mentor and transfer institutional knowledge. She stated that she recommended the citywide Workback program remain discretionary, it would only apply for situations where there was a specific need, and the policy would be extended for five years. Councilor Standke asked if someone coming back under the Workback program would be hired back at the base salary or their previous wages. Ms. McEvoy replied that that would likely depend on the situation and role the person was fulfilling. Councilor Giles asked if the city would be able to stipulate that someone utilizing the program would only be needed for a certain number of hours or timeframe. Ms. McEvoy replied that was an option because the program was discretionary, allowing the city to be able to negotiate terms that were beneficial to the city and discussion occurred. Councilor Standke asked if those coming back under the program were at-will employees and Ms. McEvoy replied that was correct. Mayor Rosener asked if Council wished to bring forward a resolution for a citywide PERS Workback program at a future Council meeting and Council indicated their approval. City Manager Pro Tem Sheldon stated that the PERS Workback program and the Leave Donation Policy would be brought to the next Council meeting.

Record note: Prior to the meeting, HR Director Lydia McEvoy provided Council with the draft PERS Retiree Workback policy (see record, Exhibit G).

5. ADJOURN:

Mayor Rosener adjourned the work session at 6:46 pm and convened a regular session.

REGULAR SESSION

1. **CALL TO ORDER:** Mayor Rosener called the meeting to order at 7:00 pm.
2. **COUNCIL PRESENT:** Mayor Tim Rosener, Council President Kim Young, Councilors Keith Mays, Dan Standke, Taylor Giles, and Renee Brouse. Councilor Doug Scott was absent.
3. **STAFF PRESENT:** City Manager Pro Tem Craig Sheldon, Assistant City Manager Kristen Switzer, IT Director Brad Crawford, Finance Director David Bodway, City Attorney Ryan Adams, Community Development Director Eric Rutledge, Police Captain Dan O'Loughlin, HR Director Lydia McEvoy, City Engineer Jason Waters, and City Recorder Sylvia Murphy.

4. **APPROVAL OF AGENDA:**

MOTION: FROM COUNCILOR BROUSE TO APPROVE THE AGENDA. SECONDED BY COUNCILOR MAYS. MOTION PASSED 6:0; ALL PRESENT MEMBERS VOTED IN FAVOR (COUNCILOR SCOTT WAS ABSENT).

Mayor Rosener addressed the next agenda item.

5. **CONSENT AGENDA:**

- A. **Approval of January 16, 2024 City Council Meeting Minutes**
- B. **Resolution 2024-004, Authorizing an Interfund Loan from the Community Investment Fund to the Sanitary Fund**

MOTION: FROM COUNCIL PRESIDENT YOUNG TO APPROVE THE CONSENT AGENDA. SECONDED BY COUNCILOR BROUSE. MOTION PASSED 6:0; ALL PRESENT MEMBERS VOTED IN FAVOR (COUNCILOR SCOTT WAS ABSENT).

Mayor Rosener addressed the next agenda item.

6. **CITIZEN COMMENT:**

There were no citizen comments and Mayor Rosener addressed the next agenda item.

7. **NEW BUSINESS:**

- A. **Resolution 2024-005 Declaring support for the Washington County Justice System; a commitment to partner with the state and county in securing funding and build support; requesting the state fully fund court system**

Mayor Rosener explained that the purpose of the resolution was to provide a statement of support for the county and a message to Salem explaining that municipalities were in dire need of a well-funded justice system within Washington County. He reported that Washington County prosecuted more cases than Multnomah County but had 45% less judicial staff. He explained that Washington County was asking the state for more funding for more judicial officers as well as more facilities. Councilor Mays asked who built county courthouses and Mayor Rosener replied that county courthouses were built by the county and the state, and counties needed to apply for funding from the state to help cover construction costs. Councilor Standke asked what else the city was doing to help show support for the county. Mayor Rosener explained that this resolution would be forwarded to the county and the state's consideration at the short legislative

session. With no further discussion the following motion was made.

MOTION: FROM COUNCILOR MAYS TO APPROVE RESOLUTION 2024-005 DECLARING SUPPORT FOR THE WASHINGTON COUNTY JUSTICE SYSTEM; A COMMITMENT TO PARTNER WITH THE STATE AND COUNTY IN SECURING FUNDING AND BUILD SUPPORT; REQUESTING THE STATE FULLY FUND COURT SYSTEM. SECONDED BY COUNCILOR BROUSE. MOTION PASSED 6:0; ALL PRESENT MEMBERS VOTED IN FAVOR (COUNCILOR SCOTT WAS ABSENT).

Mayor Rosener addressed the next agenda item.

8. CITY MANAGER REPORT:

City Manager Pro Tem Craig Sheldon reported that a Budget Committee meeting would be held on February 7th where they would discuss the five-year forecast and funding for the construction of the Highway 99W pedestrian bridge. He reported that a pre-construction meeting for the pedestrian bridge would be held on February 15th. He spoke on the recent Council goal setting work session and reported that staff had begun drafting measurables and timelines, which would be presented in a March work session.

Mayor Rosener addressed the next agenda item.

9. COUNCIL ANNOUNCEMENTS:

Councilor Standke reported that he attended the most recent Planning Commission meeting where they discussed unbundled parking and commercial parking lots as a part of the state's Creating Climate-Friendly and Equitable Communities program. He reported that CASH Oregon offered free tax filing for Oregon residents who made under \$64,000 annually and urged residents to visit their website.

Councilor Mays reported that he had volunteered at the Sherwood Lunar New Year Festival and spoke on the event.

Councilor Giles reported that he attended the most recent Library Advisory Board meeting where they reviewed usage reports. He reported that SHELF had added an additional member to the board. He urged those interested in donating to SHELF to reach out for more information.

Councilor Brouse reported that the Senior Advisory Board would meet on February 14th where they would continue their work on making Sherwood an age-friendly city. She reported that she would attend the Water Consortium meeting. She reported she attended the Housing Advisory Committee meeting and spoke on affordable housing in Washington County.

Council President Young reported she attended the most recent CDBG meeting where they heard presentations from two applicants. She reported that she attended the most recent Commission on Transportation meeting where they heard a presentation on the STIP (State Transportation Improvement Program). She reported that she and several other Councilors attended the WEA legislative session. She reported on her attendance at the Sherwood Lunar New Year Festival.

Councilor Mays reported that a large section of SW Roy Rogers Road would be closed February 16th-18th for construction.

Mayor Rosener reported he attended the WEA legislative session. He reported he would moderate an

upcoming Metro Mayors' Consortium event. He reported that he was featured on KOIN's Mayor Monday segment. He reported that the police awards ceremony was held recently, and Police Captain O'Loughlin spoke on the event. Mayor Rosener reported that the legislative short session had begun on February 5th and spoke on state legislative sessions. He reported he would visit Washington D.C. in March to advocate for federal funding for Sherwood.

Council President Young reported she attended the police awards ceremony and spoke on the event.

Councilor Giles commented that he would like a larger venue for Sherwood's next Lunar New Year Festival event so more people could attend.

10. ADJOURN:

Mayor Rosener adjourned the regular session at 7:30 pm and convened an executive session.

EXECUTIVE SESSION

- 1. CALL TO ORDER:** The meeting was called to order at 8:06 pm.
- 2. COUNCIL PRESENT:** Mayor Tim Rosener, Council President Kim Young, Councilors Keith Mays, Dan Standke, Taylor Giles, and Renee Brouse. Councilor Doug Scott was absent.
- 3. STAFF PRESENT:** City Attorney Ryan Adams, City Manager Pro Tem Craig Sheldon, Assistant City Manager Kristen Switzer, Finance Director David Bodway, and HR Director Lydia McEvoy.
- 4. TOPICS:**
 - A. ORS 192.660(2)(d), Labor Negotiator Consultations and ORS 192.660(2)(i), Performance Evaluation**

5. ADJOURN:

The executive session was adjourned at 8:36 pm.

Attest:


Sylvia Murphy, MMC, City Recorder


Kim Young, Council President