



SHERWOOD CITY COUNCIL MEETING MINUTES
22560 SW Pine St., Sherwood, Or
August 2, 2022

EXECUTIVE SESSION

- 1. CALL TO ORDER:** The executive session was called to order at 6:05 pm.
- 2. COUNCIL PRESENT:** Mayor Keith Mays, Councilors Renee Brouse, Doug Scott, and Taylor Giles. Council President Tim Rosener and Councilor Sean Garland participated remotely. Councilor Kim Young was absent.
- 3. STAFF PRESENT:** Legal Counsel Steven Schuback, Interim City Attorney Alan Rappleyea, City Manager Keith D. Campbell, Public Works Director Craig Sheldon, HR Manager Rebecca Tabra, and Police Chief Ty Hanlon.

4. TOPICS:

A. ORS 192.660(2)(d) Labor Negotiation Consultation

5. ADJOURNED:

The executive session was adjourned at 7:20 pm and a regular session was convened.

REGULAR SESSION

- 1. CALL TO ORDER:** Mayor Mays called the meeting to order at 7:30 pm.
- 2. COUNCIL PRESENT:** Mayor Keith Mays, Councilors Doug Scott, Renee Brouse, and Taylor Giles. Council President Tim Rosener and Councilor Sean Garland participated remotely and Councilor Kim Young was absent.
- 3. STAFF PRESENT:** City Manager Keith D. Campbell, System Administrator Mark Swanson, Public Works Director Craig Sheldon, Community Services Director Kristen Switzer, Planning Manager Erika Palmer, Police Chief Ty Hanlon, Interim City Attorney Alan Rappleyea, Finance Director David Bodway, and City Recorder Sylvia Murphy.

4. APPROVAL OF AGENDA:

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

5. CONSENT AGENDA:

- A. Approval of July 14, 2022 City Council Meeting Minutes**
- B. Resolution 2022-061, Reappointing Brian Fairbanks to the Sherwood Budget Committee**
- C. Resolution 2022-062, Authorizing the City Manager to Sign a Service Order with 8x8 for Telephony Services**
- D. Resolution 2022-063, Recommending Legislative Priorities to League of Oregon Cities for the 2023 Legislative Session**

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

Mayor Mays addressed the next agenda item.

6. CITIZEN COMMENTS:

Sherwood resident Jim Claus came forward to address Council and stated that he was providing comment in an effort to exhaust administrative rights and reaching finality because it appeared to him that he would be in litigation with the city. He referred to the July 19, 2022 City Council meeting land use hearing and stated that it was not Council's job to be fair, it was Council's job to apply the law consistently. Mr. Claus stated that that was what attorneys took advantage of and, "what you're talking about is the latter part of the fifth amendment and the 14th amendment." He explained that Oregon was a statutory state, and that he was informing Council and the city that he was ill and elderly and cautioned Council against agitating him because he would be asking for triple damages and attorney's fees. He continued that he would not confuse a civil right with a property right and referred to the fees charged to appeal a land use hearing. Mr. Claus stated that the litigation he was aiming for was similar to *Dolan v. City of Tigard* or *Nollan v. California Coastal Commission* and that they would be asking for federal protection. He explained that they were doing so because they were not being given an alternative and stated that they had state and county documents authenticating the "falseness of some of those statements." He stated that he was previously involved in an eight and a half year suit against the Bureau of Reclamation and had won. Mr. Claus stated that he had seen incredible urban deterioration in Sherwood and that it should never have occurred. He continued that, "you give away millions in public funds to named individuals to change the morphology of this city and to drive citizens out that object."

Mayor Mays addressed the next agenda item and the City Recorder read aloud the public hearings statement.

7. PUBLIC HEARINGS:

A. Resolution 2022-064, Updating the City of Sherwood Water System Development Charges Methodology and amending the Fee Schedule

Finance Director David Bodway explained that Deb Galardi with Galardi Rothstein Group was hired to perform an analysis of the city's water system, estimate future water requirements, identify any deficiencies, and evaluate the city's existing water rates and SDCs (system development charges). He recapped that Council had held two previous work sessions on the topic and explained that the city had provided the required 90-day notices per ORS 223.304 and a draft report was published on the city's website in early June 2022. Consultant Deb Galardi presented the "Water SDC Methodology Public Hearing" PowerPoint

presentation (see record, Exhibit A) and explained that the update to the water SDCs were comprised of three components. The first component was the project list and was the master plan list of capital improvement projects (CIP). She explained that per state law, the project list was required to show the project description, cost, and timing as well as the percent eligible for improvement SDC funding. She explained that the SDC methodology was the framework for determining the growth costs in the water system and was the basis for charging different development types. She continued that when that framework was applied to the project list, the SDC schedule was created. Ms. Galardi explained that Oregon law allowed cities to include existing facility costs as well as CIPs and the existing facilities component was referred to as the "reimbursement fee." She outlined that facility costs that were funded by the city could be included but only to the extent that there was existing capacity in those facilities' future growth. She reported that most facilities had between 0-70% available capacity for growth and commented that those respective amounts were included in the charges. She explained that future improvements were based on the city's adopted master plans and included the costs related to the increased capacity for growth and were determined on a facility-by-facility basis. She continued that capacity analysis in the future improvements were related to the system design criteria and what was needed specifically for growth. Ms. Galardi addressed compliance costs and stated that compliance costs included the cost of the SDC methodology development, a portion of the master planning that went into developing the project list, and the accounting costs incurred by the city and explained that the state statutes permitted SDC revenue to be spent on the costs of complying with the statutes. She provided an overview of the updated SDCs and reported that the updated SDC per equivalent dwelling unit (EDU) was \$8,836 and was a 35% increase from the current SDC. She reported that the main reason for the increase was because the methodology was modified to base the reimbursement fees on the estimated replacement costs and included the increase in value over time as estimated by the increases in the Construction Cost Index. She outlined that the project improvement costs had also been updated to include new projects that had been added to the master plans and included land costs for pump stations and additional contingency for pipe projects due to the increases in material costs. Ms. Galardi addressed the growth improvement costs and reported that they totaled \$63 million over the full planning period and were primarily supply, transmission and distribution costs with some minor costs for storage upgrades and new pump stations. She explained that a number of the improvements were 100% SDC eligible and growth related because they were extending or adding the next increment of capacity in the system. She provided an overview of the SDCs of neighboring cities and reported that most other regional utilities charged between \$8,000-10,000 per EDU. Ms. Galardi explained that the SDC methodology included a scaling factor for developments for their additional capacity needs based on the water meter size, as water meter size was an indicator of the hydraulic capacity required to serve the development. She explained that in the future, the city could update the project list and SDC schedule separate from the changes to the methodology and future inflationary adjustments could be made to the SDC schedule annually. Council President Rosener explained what SDCs were. Councilor Giles asked if the \$8,000 figure was per EDU? Ms. Galardi replied that was correct and explained that the SDC would scale up based on the size of the water meter and most residential dwellings were served by the smallest meter size. Discussion regarding SDC charges for a multifamily dwelling unit occurred and Ms. Galardi explained that EDUs were based on the meter size, not the number of dwelling units. Council President Rosener commented that many agencies were now requiring sprinklers in multifamily units and the addition of a sprinkler system required a bigger meter in order to handle that capacity, and asked if they were looking into how to address SDCs in those circumstances? Ms. Galardi replied that it was quite common to have a policy that explicitly stated that you would be charged for the lower meter size if you were upsizing to the next meter size for a fire sprinkler system because it was for emergency purposes and SDCs were related to the maximum daily water demand. Mayor Mays opened up the public hearing and asked for public comment on the proposed resolution.

Sherwood resident Jim Claus came forward and stated that water was about 325 gallons an acre-foot and Sherwood received 48 inches of rain, and that nearly all residentially used water, particularly in apartments,

was recirculated back into the system. He commented that Bull Run now paid for the police department and stated that it was a regressive tax because it fell on the least able to pay it. He explained that the city was creating a system that “isn’t recirculating...it appears you’re destroying the water table with this new mess industrial center in the US Fish and Wildlife refuge.” Mr. Claus stated that they had taken a village that could have been self-sufficient in water and had “ballooned it up” calling it the “costs of water.” He stated that they could have segregated out the retail commercial areas from residential, and the city could have had point source control which would have allowed for the water to be reused over and over. He stated that the city did not get an appropriate water right and had passed up opportunities to not increase costs. He stated that the city was not getting the Oregon Department of Fish and Wildlife to preserve Sherwood’s water table and referred to the option of using wells instead. He stated that water was the next tax and would be the next thing to force people out of town. He stated that the city had a great system that they had abandoned and in time it would be regretted. He referred to projects on 124th Avenue and stated that that was why Sherwood was deteriorating and why “you’re forcing your most generous citizen in your history to litigate with you because you keep picking fights on false premises and I’ve had enough.”

Mayor Mays asked for other public comments on the proposed resolution. Hearing none, Mayor Mays closed the public hearing portion of the meeting and asked for discussion or a motion from Council.

MOTION: FROM COUNCILOR BROUSE TO ADOPT RESOLUTION 2022-064, UPDATING THE CITY OF SHERWOOD WATER SYSTEM DEVELOPMENT CHARGES METHODOLOGY AND AMENDING THE FEE SCHEDULE. SECONDED BY COUNCILOR SCOTT. MOTION PASSED 6:0, ALL PRESENT MEMBERS VOTED IN FAVOR (COUNCILOR YOUNG WAS ABSENT).

B. Resolution 2022-065, Updating the City of Sherwood Parks System Development Charge Methodology and amending the Fee Schedule

Planning Manager Erika Palmer outlined that the proposed resolution would update the city’s Parks SDC methodology and amend the fee schedule. She recapped that Council had held two previous work sessions on the topic and explained that the city had provided the required 90-day notices per state statutes and introduced consultant John Ghilarducci with FCS Group. Mr. Ghilarducci presented the “Parks SDC Analysis” PowerPoint presentation (see record, Exhibit B) and provided an overview of the key characteristics of SDCs and how SDCs were calculated. He explained that Parks SDCs were made up entirely of an improvement fee because there was not quantifiable unused capacity in the existing Parks system. He provided an overview of Sherwood’s current Parks SDCs on page 6 of the presentation and reported that a single-family dwelling’s total fees were \$8,998.93, a multifamily dwelling fee was \$6,753.92, a manufactured home fee was \$9,867.24, and non-residential fees were \$93.57. He explained that non-residential/commercial establishment fees were charged per employee and were based on the square footage of the type of building that was being constructed. Mr. Ghilarducci stated that Sherwood’s total cost basis of the eligible portion was \$68 million and was calculated based on the city’s project list that totaled roughly \$125 million. He continued that the \$68 million figure was then divided by 12,958 Residential Equivalents and totaled an SDC per Resident Equivalent of \$5,249. He explained that the SDC per Residential Equivalents were converted into charges per dwelling unit by the average occupancy based on the latest census information. He outlined that the new calculated Parks SDCs were: \$14,997 for a single-family dwelling unit, \$9,310 for a multifamily dwelling unit, \$9,622 for a manufactured home, \$5,249 for an accessory dwelling unit, and \$573 was the per-employee rate. Mr. Ghilarducci referred to the table on page 8 of the presentation and explained that the table had been updated to reflect the new rates from Tualatin Hills RPD’s June 2022 SDC update. He addressed Parks SDC phasing options and reported that one option was to do a two-step phased-in approach in order to ease the impact of the SDC rate change and explained that the first period would begin on January 1, 2023 and the second phase would begin on July 1, 2023. He stated that he recommended

that the city index the charges with cost escalation in order to keep up with inflation. Mr. Ghilarducci provided an overview of the funding plan and recapped that of the \$125 million of capital improvement projects, only \$68 million was eligible via SDCs and commented that other funding would still be needed in order to make up the difference. He recapped next steps and explained Council's options. Councilor Scott referred to the phased-in approach and asked if the date that it was applicable was based on the application date or the building permit issuance date or what relevant date? Mr. Ghilarducci replied that it was the date that the city made it effective... Councilor Scott interrupted and asked what date would trigger the SDC? Planning Manager Palmer replied that it was triggered based on the time of building permit.

Mayor Mays opened up the public hearing and asked for public comment on the proposed resolution. Hearing none, Mayor Mays closed the public hearing and asked for discussion or a motion from Council.

Councilor Scott explained that the \$125 million was based on the Parks Master Plan project list and that it did not necessarily mean that there would be \$125 million in parks development. He explained that it was a recognition that there was a plan in place and there were funding mechanisms to help fund some of those projects over the next 10-20 years. Mayor Mays added that nearly every park in Sherwood was paid for by SDCs. Councilor Scott stated he was in favor the resolution in order to continue to support Sherwood parks and commented that he was unsure if a phased-in approach was necessary. Mayor Mays asked if the proposed resolution indicated that it would be a phased-in approach and would have automatic indexing? Planning Manager Palmer replied that was correct. Mayor Mays asked if it was possible to have Council remove the phasing when adopting the resolution by making an amendment? He commented that in the past Park SDCs had utilized phasing, but not every time. Councilor Giles commented that he had heard from residents that they were willing to pay more for a house in Sherwood because of the city's parks, trails, and amenities and commented that he was not in favor of phasing in, but he was open to either way. Council President Rosener stated that he was likely not in favor of phasing and commented that there was discussion occurring at the state legislative level about how cities collected fees. He explained that SDCs went into a separate fund and the city was not permitted to move the funds around to be spent elsewhere. He commented that Sherwood had great parks and amenities and had developed the parks at lower rates than other communities. Councilor Garland commented that he supported the resolution. Councilor Brouse commented that she was in favor of the phased-in approach. Mayor Mays asked for Councilor Garland's thoughts on phasing. Councilor Garland replied that he did not feel strongly either way, but he supported implementing the SDCs simultaneously. Councilor Scott commented that he supported implementing the SDCs simultaneously because he wished to secure as much capital as possible. Councilor Giles asked if implementing the SDC rate change simultaneously had the potential to "stall out" projects? Council President Rosener replied that projects that were already underway were protected. Mayor Mays added that anything was possible, but he felt that the development community was smart and that they would initiate activities before the fees changed. Councilor Giles commented that he was in favor of implementing the SDCs simultaneously.

MOTION: FROM COUNCILOR SCOTT TO AMEND RESOLUTION 2022-065, UPDATING THE CITY OF SHERWOOD PARKS SYSTEM DEVELOPMENT CHARGE METHODOLOGY AND AMENDING THE FEE SCHEDULE TO BRING THE ENTIRE CHANGE INTO EFFECT AS OF JANUARY 1, 2023. SECONDED BY COUNCILOR GILES. MOTION PASSED 5:1, MAYOR MAYS, COUNCIL PRESIDENT ROSENER, COUNCILORS SCOTT, GARLAND, AND GILES VOTED IN FAVOR, COUNCILOR BROUSE WAS OPPOSED. COUNCILOR YOUNG WAS ABSENT.

MOTION: FROM COUNCILOR GILES TO ADOPT RESOLUTION 2022-065, UPDATING THE CITY OF SHERWOOD PARKS SYSTEM DEVELOPMENT CHARGE METHODOLOGY AND AMENDING THE FEE SCHEDULE AS AMENDED. SECONDED BY COUNCILOR SCOTT. MOTION PASSED 5:1, MAYOR

MAYS, COUNCIL PRESIDENT ROSENER, COUNCILORS SCOTT, GARLAND, AND GILES VOTED IN FAVOR, COUNCILOR BROUSE WAS OPPOSED. COUNCILOR YOUNG WAS ABSENT.

Mayor Mays addressed the next agenda item.

8. CITY MANAGER REPORT:

City Manager Keith Campbell reported that the last Music on the Green concert would be August 3rd and Movies in the Park would begin on August 8th. He reported that a second round for CEP applications had been opened and applications were being accepted through September 15th.

Mayor Mays addressed the next agenda item.

9. COUNCIL ANNOUNCEMENTS:

Councilor Garland reported that Pride Disposal had launched a plastic clamshell container recycling program in July and stated that more information on the program could be found on their website. He advised people to stay safe during the heatwave.

Council President Rosener reported he had attended the National League of Cities conference in Atlanta where they worked on updating the NLC's policy direction. He reported that he had been appointed to the Oregon Broadband Advisory Council by the Governor's office. He reported he attended the WCCC meeting in Mayor Mays's place where they discussed tolling.

Councilor Scott reported that household batteries were also recyclable with Pride Disposal.

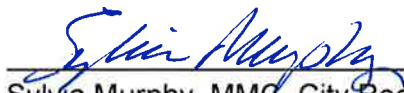
Councilor Giles reported he attended the Planning Commission meeting where they were presented with information about a new multifamily unit being constructed off of Sherwood Boulevard and shared his enthusiasm about people attending the meeting and participating in the process.

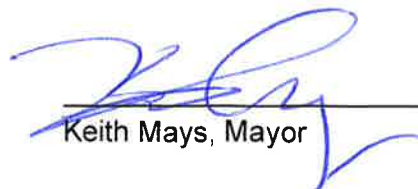
Mayor Mays referred to a notice that had gone out the previous weekend regarding water and clarified that there was no risk of Sherwood being short on water as a community. He explained that it had to do with when the replacement pump was installed and that the notice was asking residents to voluntarily conserve water by not doing unnecessary water-heavy activities like washing your car. He spoke on free speech and explained that people were free to provide testimony or citizen comment and Council listened and responded when they felt there was a relevant response to a topic. He reported that the city offered several cooling centers for those who may need it during the summer months.

10. ADJOURN:

Mayor Mays adjourned the regular session at 8:35 pm.

Attest:


Sylvia Murphy, MMC, City Recorder


Keith Mays, Mayor