

**CANBY CITY COUNCIL
WORK SESSION MINUTES
December 17, 2025**

PRESIDING: Brian Hodson

COUNCIL PRESENT: Traci Hensley (attended virtually), Paul Waterman, Daniel Stearns, Jason Padden, and James Davis.

COUNCIL ABSENT: Herman Maldonado

STAFF PRESENT: Randy Ealy, Interim City Administrator; Maya Benham, Administrative Director/City Recorder; Don Hardy, Planning Director; and Ryan Potter, Planning Manager.

CALL TO ORDER: Mayor Hodson called the meeting to order at 6:00 p.m.

COMPREHENSIVE PLAN POLICIES REVIEW PART 2: Don Hardy, Planning Director, reviewed chapters 9-14 of the Comprehensive Plan, starting with Economic Development policies and strategies.

There was discussion regarding changing the “employees per acre” metric and concerns about the current focus on employee numbers rather than payroll, definition of “high wage job”, expanding the “employees per acre” requirement to future industrial expansion areas, “high wage job” tied to some metric, retaining and attracting businesses that provided quality jobs with high wages and high levels of employment, how having more employees did not mean higher wage jobs, looking at how they designated economic development land, and the best locations for higher wage jobs. The Council agreed to modify policy language to reference “high-wage jobs” rather than just “employees” while keeping the employee-per-acre metric.

Mr. Hardy reviewed the policies and strategies for Housing. No changes were suggested.

Mr. Hardy discussed the policies and strategies for Public Facilities and Services. There was discussion about the policies not addressing industrial and businesses and concern about bringing in businesses that would be detrimental for citizens to get the water and utilities they needed. There was consensus to change the wording to: “sufficient to support population and economic development growth.”

Mr. Hardy explained the policies and strategies for Transportation. There was discussion about flipping the policies, so policy 2 would now be policy 1 and policy 1 would now be policy 2 to show the priority for safety. There was consensus to change the wording to: “Provide a transportation system that was convenient, accessible, reliable, and connected people.”

Mr. Hardy reviewed the policies and strategies for Energy Conservation. There was discussion about not calling out BPA and PGE as it was a broad plan for the future and instead say, “Promote the use of alternative energy generation sources to reduce the need for electrical power reliance on outside utility providers.” It was noted that higher density did not always equal energy conservation and perhaps they should remove 1.1.1 and 1.1.6. For 1.1.6, this meant energy in its entirety, not just electricity, and consistency in land use to prevent sprawl.

There was consensus to move 1.1.6 to the Housing section to promote higher density residential in the newly annexed areas. For 1.1.1, it needed to be more generic to say all land development in the City should be efficient in connecting to the utility systems. It was suggested that all new construction needed to use a certain amount of solar energy and to encourage or subsidize Canby Utility to put in a battery farm to store the power for use during peak load. There was also consensus to change 1.2.2 to say: "Encourage the use of rebate and energy conservation programs, such as Canby Utility's program, in supporting repair and rehabilitation of buildings."

Mr. Hardy discussed the policies and strategies for Urban Growth. No changes were suggested.

It was suggested to add a glossary of terms to the document.

Mayor Hodson adjourned the Work Session at 6:53 p.m.

**CANBY CITY COUNCIL
COUNCIL MEETING MINUTES
December 17, 2025**

PRESIDING: Brian Hodson

COUNCIL PRESENT: Traci Hensley (attended virtually), Paul Waterman, Daniel Stearns, Jason Padden, James Davis, and Herman Maldonado.

STAFF PRESENT: Randy Ealy, Interim City Administrator; Emily Guimont, City Attorney; Maya Benham, Administrative Director/City Recorder; Eric Laitinen, Aquatics Program Manager; Peter Wood, Human Resources Director; Neil Olsen, Project Manager; Spencer Polack, Public Works Supervisor; and Ruth Reyes, Finance Technician.

CALL TO ORDER: Mayor Hodson called the meeting to order at 7:04 p.m.

ROLLCALL: Councilor Waterman present; Councilor Stearns present; Councilor Davis present; Mayor Hodson present; Council President Hensley present virtually; Councilor Maldonado present, and Councilor Padden present.

CITIZEN INPUT AND COMMUNITY ANNOUNCEMENTS: Jared Taylor, an attorney representing Sunbreak Electronics LLC, a local data center, spoke regarding the pending high density load service rate proposed by Canby Utility and how it would affect his client. This facility was federally recognized as critical telecommunications infrastructure. The largest cost for data centers was electricity and a rate change of a few percentage points could cause a data center customer to no longer be profitable and search out a new facility. This rate increase would only affect data centers and the combination of the new rate and proposed demand charge would significantly increase costs to customers. His client was only allowed to speak for three minutes at the Canby Utility Board meeting, and he thought something that could drive his client out of business and result in a substantial loss of utility and tax revenue, and hamper internet usage throughout the region deserved more study. He asked the Council to encourage Canby Utility to gather more facts before making a decision.

Mayor Hodson said they were aware of the situation. Canby Utility was going to get more information and hold another meeting before the decision was made.

CONSENT AGENDA: ****Councilor Waterman moved to approve the consent agenda which included approval of the November 12, 2025, City Council Special Called and Work Session minutes and the reappointment of Dan Ewert and Michael Hutchinson to the Planning Commission with terms ending March 31, 2028. Motion was seconded by Council President Hensley and passed 6-0.**

ORDINANCES & RESOLUTIONS:

Ordinance 1660 – Pete Wood, Human Resources Director, and Eric Laitinen, Aquatics Program Manager, explained the Swim Center staffing contract. In October, the Swim Center's staffing company went out of business and they entered into a short-term emergency contract with a

different company. This would be a longer-term contract for the next 12-18 months. It was less expensive than the old contract and was a reputable company.

The Council congratulated Mr. Laitinen on his retirement and thanked him for his work.

****Councilor Davis moved to approve ORDINANCE 1660, AN ORDINANCE AUTHORIZING THE INTERIM CITY ADMINISTRATOR TO EXECUTE A CONTRACT WITH SUMMIT STAFFING IN THE AMOUNT OF \$250,000 FOR STAFFING OF THE CANBY SWIM CENTER AND DECLARING AN EMERGENCY to come up for second reading on January 7, 2026. Motion was seconded by Councilor Maldonado and passed 6-0 on first reading.**

OTHER BUSINESS:

Budget Forecast Overview – Eric Kytola, Consultant, presented the General Fund forecasting overview. He shared the top 24 revenue streams, focusing on “operational” income, which was consistent, repeatable, and predictable. Some streams were excluded, like the overhead allocations, grant revenue, interfund transfers, miscellaneous revenues, and variable revenues. The average growth rate of the top 24 revenue streams that were chosen was 4.8%. After reviewing the top 24 revenue streams, the following five were chosen as the best performing: property tax revenue, CU in lieu of taxes, park maintenance fee, solid waste franchise fee, and natural gas franchise fee. The URA would close in June of 2026, and the City would realize additional property tax revenue of about \$1 million in November of 2026. There were five funds chosen for their “cooling” performance: court fines and fees, cable franchise fee, fines/justice court, construction excise tax, and telephone franchise fee. Another focus of the forecasting was to look at Police Department costs. Personnel had an average increase in expenditures of 6.7%. Materials and services along with internal charges had an average increase in expenditures of 7.9%. Capital outlay expenditures were variable. The Police Department expenditures had utilized between 42% and 56% of the General Fund’s resources between 2019 and 2025. The total cost of the Police Department was strongly related to property tax revenue.

For the Library, between 2019 and 2025, the average growth rate of the Library District revenue was 3.9%. Between 2019 and 2024, the average growth rate of the transfer of resources from the General Fund was 55%. 2025 saw a decrease in the transfer from the General Fund. Personnel costs were the largest expenditure and were averaging at a 4.6% increase. The average growth rate for the interfund loan was 4.9% and the District revenue growth rate was 3.9%. For the PERS City-wide expenditures, the rate increase averaged about 11.2%. He did not think they would see a huge increase in the next cycle of PERS rates in FY 2028 and 2029. The unrestricted fund balance was the sum of committed, assigned, and unassigned fund balance in any individual fund. In the General Fund, the City strove to maintain an unrestricted fund balance between 20% to 25% of annual operating revenue. He gave a range of what those numbers would be for the next four years. He then showed the actuals as of November 30, 2025. The revenues that were expected to come in were \$12.9 million and \$13.9 million had actually come in. He explained the overages in the expenditures for Administration and how there might need to be a supplemental budget. Overall, the expenditures looked positive.

There was discussion regarding the reasons for Police Department costs going up and why the library was going up at a much slower rate, which might be due to the number of FTEs in the

Police Department, the increase for PERS not looking as bad as some other cities as it was dropping for Tier 1 and Tier 2 and only going up 1% for the other tiers, how staff would have to contact PERS to get the formula for those numbers, how the expenditures were higher than revenues in the Police Department, more than half of the \$1 million of Urban Renewal funds would need to be used for the Economic Development department and the budget would still be tight, expectations for the next budget and prioritizing finding other funding sources, and the amount in reserves.

Street Maintenance Fee Increase Report – Spencer Polack, Public Works Supervisor, and Ruth Reyes, Finance Technician, presented the report. They discussed the program background and purpose, key issues identified, outreach summary, progress to date, why fee increases were delayed, next steps, and timeline estimate.

There was discussion regarding the inconsistencies and revenue loss due to billing discrepancies, what to do if businesses did not cooperate with the data gathering, amending the current ordinance to require the data from businesses, if there was a vacancy the building owner would be responsible for the fee, implementation timeline, how the first step should be to know how much money was needed to fill the gap, exploring simpler ways to know how much a business should pay, how the last index study was done in 2018 and needed to be updated, how business licenses were involved in the street maintenance fee, tying the fee to an inflationary mechanism now since it would take longer to get to a fee increase, looking at how other cities calculated their fees, how often the ITE manual was updated, instead of being specific in the ordinance state they would use the most current version of the ITE manual, appeal process for the fee, how the fee must be paid by all, projections on revenue increases due to updating the ITE manual, phasing in for the larger increases, partnership with Code Enforcement, and prioritizing a new index study to be done in the next fiscal year.

****Councilor Padden moved to continue the meeting to 9:30 p.m. Motion was seconded by Councilor Maldonado and passed 4-2 with Council President Hensley and Councilor Davis opposed.**

Ms. Reyes read the report in Spanish.

Mayor Hodson adjusted the agenda to have City Administrator Business before Mayor's Business and Councilor Comments and Liaison Reports.

CITY ADMINISTRATOR'S BUSINESS: Randy Ealy, Interim City Administrator, thanked Public Works for storm debris removal. He introduced Neil Olsen, Project Manager, who shared Walnut Street extension project updates. He explained the phases of the project and costs, delays, and needed approvals.

MAYOR'S BUSINESS: None

COUNCILOR COMMENTS & LIAISON REPORTS:

Councilor Padden noted the warning light for public comment was not working. He attended the Planning Commission meeting where he expressed his appreciation for their work on the Comprehensive Plan.

Councilor Maldonado spoke about a recent tragedy where a young lady lost her life and he encouraged people to reach out if they needed help.

Council President Hensley agreed with Councilor Maldonado's comments.

Councilor Davis asked about Code Enforcement being involved with hazardous trees on private property. The Adult Center's Thanksgiving and Christmas lunches were full. The Adult Center planned to move to their new building in February 2027.

Councilor Stearns attended the Canby Utility Board meeting where rate increases were discussed. He thought large increases needed to be forecasted far in advance and businesses given more time to know what their new costs would be.

Councilor Waterman attended the Bike and Ped Advisory Committee meeting where staff presented information on the Logging Road Trail.

CITIZEN INPUT: None.

ACTION REVIEW:

1. Approved the Consent Agenda.
2. Approved Ordinance 1660 to a second reading on January 7, 2026.

Mayor Hodson adjourned the meeting at 9:15 p.m.



Maya Benham, CMC
City Recorder



Brian Hodson
Mayor

Assisted with Preparation of Minutes – Susan Wood