



# CITY COUNCIL MEETING

Monday, March 03, 2025 at 6:00 PM  
Sandy City Hall and via Zoom

## AGENDA

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### TO ATTEND THE MEETING IN-PERSON:

Come to Sandy City Hall (lower parking lot entrance) - 39250 Pioneer Blvd., Sandy, OR 97055

### TO ATTEND THE MEETING ONLINE VIA ZOOM:

Please use this link: <https://us02web.zoom.us/j/83277419863>

Or by phone: (253) 215-8782; Meeting ID: 83277419863

### WORK SESSION – 6:00 PM

1. [Follow-Up Discussion: Wastewater Discharge Alternatives](#)

### REGULAR MEETING – 7:00 PM

#### PLEDGE OF ALLEGIANCE

#### ROLL CALL

#### CHANGES TO THE AGENDA

#### PUBLIC COMMENT (3-minute limit)

The Council welcomes your comments at this time. The Mayor will call on each person when it is their turn to speak for up to three minutes.

-- If you are attending the meeting in-person, please submit your comment signup form to the City Recorder before the regular meeting begins at 7:00 p.m. Forms are available on the table next to the Council Chambers door.

-- If you are attending the meeting via Zoom, please complete the online comment signup webform by 4:00 p.m. on the day of the meeting: <https://www.ci.sandy.or.us/citycouncil/webform/council-meeting-public-comment-signup-form-online-attendees>.

#### RESPONSE TO PREVIOUS COMMENTS

#### CONSENT AGENDA

2. [City Council Minutes: February 18, 2025](#)

#### OLD BUSINESS

3. [Draft 2025-27 City Council Goals](#)

#### NEW BUSINESS

4. [Resolution 2025-09 - Supporting Proposed MHCC Bond Measure](#)
5. [PUBLIC HEARING - Ordinance 2025-08: Urban Renewal Agency Board Modification](#)
6. [Resolution 2025-07: Updating Public Contracting Rules](#)
7. [Resolution 2025-06: Full Faith and Credit Obligation to Fund Water Capital Projects](#)

#### REPORT FROM THE CITY MANAGER

#### COMMITTEE / COUNCIL REPORTS

#### STAFF UPDATES

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

#### ADJOURN

Americans with Disabilities Act Notice: Please contact Sandy City Hall, 39250 Pioneer Blvd. Sandy, OR 97055 (Phone: 503-668-5533) at least 48 hours prior to the scheduled meeting time if you need an accommodation to observe and/or participate in this meeting.



# STAFF REPORT

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**Meeting Type:** City Council Work Session  
**Meeting Date:** March 3, 2025  
**From:** Jeff Aprati, Deputy City Manager  
**Subject:** Follow-Up Discussion: Wastewater Discharge Alternatives

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## PURPOSE / OBJECTIVE:

At the request of the Mayor, this discussion is being scheduled to allow the Council an opportunity to further review and discuss the City’s wastewater discharge alternatives.

## BACKGROUND / CONTEXT:

The Council held a work session on December 2, 2024 to review draft amendment to the City’s Wastewater Facility Plan. The amendment process has identified two viable options for discharging the City’s wastewater: (1) construction of a membrane bioreactor and an effluent pipeline and outfall to the Sandy River, or (2) conveyance of our wastewater to the City of Gresham for treatment and discharge under their NPDES permit.

[The full December 2, 2024 staff report can be referenced here.](#)

[Presentation slides from the December 2, 2024 work session can be referenced here.](#)

At the conclusion of the December discussion, the Council provided direction to staff to perform the necessary work to confirm the viability of the Gresham discharge solution, which appears to be the most favorable option for the City. Subsequently, staff executed a [memorandum of understanding](#) with Gresham, and the Council authorized two task orders to perform an engineering analysis to confirm Gresham’s excess wastewater system capacity, and to perform a conceptual design and alignment study of the required pump station and pipeline. Those task orders can be referenced [here](#), and [here](#), respectively. The final step to confirm the viability of the Gresham option will be to successfully negotiate an intergovernmental agreement that includes a connection charge and payment terms acceptable to both cities. With that step complete, Sandy will be in a position to finalize and adopt the Wastewater Facility Plan Amendment and submit it for regulatory approval, which is an important requirement of the Consent Decree.

## KEY CONSIDERATIONS / ANALYSIS:

Per Council request, staff developed a fact sheet explaining the multiple alternatives that were studied as potential solutions for discharging Sandy’s wastewater during the plan amendment process. [That fact sheet is now posted](#) and advertised on the City’s website for the public’s information.

While the draft amendment document goes into much further detail, the fact sheet summarizes the potential options and the reasons that those other than the two outlined above were found to be unworkable.

The following is an excerpt from the December 2<sup>nd</sup> staff report (with [update notations](#) as applicable), providing a useful summation of these topics:

#### Facility Alternative Recap

- A regional treatment solution appears to be the most viable option for Sandy. It has the greatest potential to generate political and financial support, and it gets the City out of the treatment business in the long term. [Staff is proceeding to confirm this solutions viability, per Council direction.](#)
- A Sandy River outfall is a good secondary option to retain, though it comes with significant challenges and uncertainties. [If the Gresham solution proves to be unworkable for some reason, this is the likely fallback option.](#)
- The project team has determined that remaining on Tickle Creek over the long term is not a viable solution, even if the Three Basin Rule is revised. Tickle Creek flow levels are too low to meet dilution ratio requirements; we would max out and be out of compliance in less than 16 years.
- The City is still pursuing Three Basin Rule accommodations in our permit renewal to provide near-term certainty while improvements are constructed. [The City Manager has been named to the Three Basin Rule revision advisory committee; discussions with DEQ are ongoing.](#)

#### Issues of Fairness: Cost Burden

- Both viable facility alternatives carry an unacceptably high cost for Sandy to bear on our own.
- Sandy is subject to more stringent wastewater regulations than almost any other city in Oregon. Compliance with the Three Basin Rule raises the cost of our required capital improvements by at least \$60 million; a cost that should not be borne by a town of 13,000 residents for the benefit of 300,000 downstream water customers.
- Sandy will do everything possible to communicate this message and secure substantial additional funding from the State and other entities to lessen the impact to our ratepayers. [These points are being made repeatedly and strenuously as the City advocates for funding assistance at multiple levels of government.](#)

#### Funding Sources

- Even though we are doing everything we can to secure grants, large loans will still be necessary. Lenders require Sandy to raise utility rates to ensure repayment (coverage requirements).
- The City is also pursuing raising system development charges (SDCs) to ensure that the cost of these improvements is appropriately spread. [A public hearing is scheduled for March 17, 2025.](#)

#### **RECOMMENDATION:**

The Mayor has asked for this agenda item to allow the Council to further discuss these important issues, and to ask questions of staff and the Stantec team (who will also be present) as needed.

**LIST OF ATTACHMENTS / EXHIBITS:**

- [December 2, 2024 work session staff report](#)
- [December 2, 2024 work session slides](#)
- [Memorandum of Understanding with Gresham](#)
- [Gresham wastewater system analysis task order](#)
- [Pump station and pipeline conceptual design and alignment task order](#)
- [Wastewater discharge alternative fact sheet](#)





# CITY COUNCIL MEETING

Tuesday, February 18, 2025 at 6:00 PM  
Sandy City Hall and via Zoom

## MINUTES

### WORK SESSION – 6:00 PM

#### 1. Mass Timber Code-UP Amendments to the Sandy Development Code

Note: all members of the Planning Commission except for Commissioners Lee and Poulin were present for this discussion. The City Manager and Development Services Director provided an introduction to the work session, along with background and context on the grant received by the City in 2023 and the discretion retained by the Council as to whether to ultimately adopt the proposed amendments. A staff report and the slides presented by Brandon Crawford with MIG were included in the meeting packet.

The following points were raised during the ensuing Council discussion:

- Discussion on the definition of mass timber, and whether it is an accurate term to use in the context of middle housing production (as opposed to larger multifamily buildings)
- Suggestion that mass timber may not be commercially viable for middle housing production, at least at the current time
- Note that a research and development facility is being pursued in the region that may lead to increased commercial viability of mass timber
- Questions as to why other pre-fabricated materials were not also included in this effort
- Clarification that residential trailers built before 1976 do not have to be allowed
- Discussion on design standards for manufactured homes
- With regard to accessory dwelling units (ADUs):
  - Discussion as to whether the maximum square footage should be raised
  - Discussion on maximum square footage as a percentage of the square footage of the main dwelling
  - Discussion on the benefits of ADUs for families
  - Discussion on system development charges for ADUs
  - Suggestion that ERUs should not be prioritized for ADUs, given the overall needs of the City
  - Concerns about parking for ADUs, and the inability of the City to require parking
  - Note that ADUs are allowed in all residential zones
- Discussion on the relative effectiveness of mass timber middle housing as a strategy for addressing housing affordability
- Discussion of the current development moratorium and the inability of the City to produce more housing at this time; counterpoint that the City will not be under a moratorium forever and that the code can be modified in advance to prepare for more development in the future

- With regard to cottage clusters:
  - Clarification on the meaning of the term
  - Concern that they would not be cost effective and are not the most efficient use of land
  - Concern about upkeep of common areas and landscaping
  - Concern that the code proposals in this area are not sufficiently developed
  - Note that much of the cottage cluster language is derived from the State model code, but that the City would have flexibility to tailor it for Sandy

It was noted that the implementation of middle housing proposals would be complicated and controversial for the Council, and the amount of time necessary to develop such policies would be considerable. The Council provided direction to staff that such measures should be considered and addressed in the future, if only at a conceptual level, during the process of developing the Housing Production Strategy.

## **REGULAR MEETING – 7:00 PM**

### **PLEDGE OF ALLEGIANCE**

### **ROLL CALL**

#### **PRESENT**

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

#### **ABSENT**

Councilor Rich Sheldon

Note: Mayor Walker was present in person for the work session but asked Council President Hokanson to preside. The Mayor left the Council Chambers after the work session and rejoined the meeting via Zoom during the Presentation section of the meeting. Council President Hokanson continued to preside throughout the meeting.

### **CHANGES TO THE AGENDA**

(none)

### **PUBLIC COMMENT (3-minute limit)**

(none)

### **RESPONSE TO PREVIOUS COMMENTS**

The City Manager noted that Mr. Ernesti has not yet provided additional information on the forestry event and his request for a financial contribution from the City. He also stated that staff

continue to provide helpful assistance to the individuals seeking to develop the property on Sunset St.

## CONSENT AGENDA

2. City Council Goal Setting Minutes: February 1, 2025
3. City Council Minutes: February 3, 2025

### **MOTION: Adopt the consent agenda**

Motion made by Councilor Smallwood, Seconded by Councilor Mayton.

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

### **MOTION CARRIED: 5-0**

## PRESENTATIONS

4. Mt. Hood Community College Presentation

Diane Noriega and Lisa Skari delivered a presentation on the college's plans to move forward with a \$136 million bond on the May 2025 ballot. They provided a summary of what the bond would fund with the proposed millage rate. Ms. Noriega also outlined the positive impact of the college on the community including statistics on graduates in particular fields, and asked for support for the measure in the upcoming election.

## OLD BUSINESS

5. Ordinance 2025-03: SMC Chapter 5.04 Code Modifications (2nd Reading)

(Note: the public hearing was closed during the February 3, 2025 council meeting)

The Development Services Director summarized the staff report in the meeting packet, including the text amendments that were made by the Council during the February 3, 2025 meeting.

### **MOTION: Approve the second reading of Ordinance 2025-03 as amended**

Motion made by Councilor Ramseyer, Seconded by Councilor Hanley.

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

### **MOTION CARRIED: 6-0**

6. Ordinance 2025-04: SMC Chapter 8.22 Code Modifications (2nd Reading)

(Note: the public hearing was closed during the February 3, 2025 council meeting)

The Development Services Director summarized the staff report in the meeting packet, including the text amendments that were made by the Council during the February 3, 2025 meeting.

**MOTION: Approve the second reading of Ordinance 2025-04 as amended**

Motion made by Councilor Ramseyer, Seconded by Mayor Walker.

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

**MOTION CARRIED: 6-0**

**NEW BUSINESS**

7. Task Order Approval: Engineering Evaluation of Sandy's Wastewater Flows on Gresham's Treatment Plant

The Assistant Public Works Director summarized the staff report in the meeting packet. The City Manager and Deputy City Manager also participated in the dialogue. The following points were raised during the ensuing Council discussion:

- Discussion on the projected completion date for the task order
- Discussion on the importance of both task orders, along with successful negotiation of an intergovernmental agreement with Gresham, to confirming the viability of the Gresham wastewater discharge alternative and completing the wastewater facility master plan amendment process

**MOTION: Authorize the City Manager to execute Task Order 4 with Stantec for engineering services to confirm the capacity of the Gresham Wastewater Treatment Plant (WWTP) to accept existing and projected future flow from the City of Sandy, as included in the meeting packet**

Motion made by Councilor Mayton, Seconded by Councilor Smallwood.

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

**MOTION CARRIED: 6-0**

8. Task Order Approval: Engineering Routing Study for Wastewater Conveyance to Gresham

The Assistant Public Works Director summarized the staff report in the meeting packet. The City Manager and Deputy City Manager also participated in the dialogue. The following points were raised during the ensuing Council discussion:

- The location at which Sandy's pipeline would connect to Gresham's collection system directly affects the amount of the associated connection charge
- Discussion on the projected completion date for the task order

- Overview of possible strategies to ensure resiliency of the pipeline and to preserve the ability to perform maintenance and/or repair any damage

**MOTION: Authorize the City Manager to execute Task Order 3 with Stantec for engineering services to complete the conceptual design of a new pump station and a pipeline alignment study for the Sandy to Gresham Pump Station and Force Main project, as included in the meeting packet**

Motion made by Councilor Mayton, Seconded by Councilor Ramseyer.

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

**MOTION CARRIED: 6-0**

9. IGA Approval: Community Services Officer Agreement with Clackamas County

The City Manager summarized the staff report in the meeting packet. The following points were raised during the ensuing Council discussion:

- Opioid settlement funds are being used to pay for the City's match; anticipated settlement revenue needs to be estimated for future years
- Overview of the hiring process and anticipated hiring timeline
- Discussion on future funding options after the three-year IGA elapses
- Data collection should be prioritized to allow the City to understand the impact of this position and the scope of the challenges involved
- Discussion on the desired attributes for the position in terms of experience, education, and skills; an intersection between social work and law enforcement
- Training for the position will be of high importance, and in addition to on the job training, conferences and other opportunities for continuing education should be leveraged
- Clear roles and responsibilities for the position need to be established

**MOTION: Authorize the City Manager to sign the IGA between City of Sandy and Clackamas County for homelessness response and outreach**

Motion made by Councilor Ramseyer, Seconded by Councilor Hanley.

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

**MOTION CARRIED: 6-0**

## REPORT FROM THE CITY MANAGER

- Thanks to staff for their work during the recent winter weather
- Overview of Deer Pointe Park survey; the Council wishes to know the survey response rate
- Clarification of the Community Center's weather closure policies, which are locally focused and distinct from those of the school district

- Overview of the Community Initiated Project funding for wastewater being pursued by staff
- Input shared by the City Attorney on EPA enforcement directives and cross-pressures being experienced by EPA staff under the new administration

## COMMITTEE / COUNCIL REPORTS

### Councilor Hanley

- Recap of recent Library Advisory Board meeting, and the survey responses received for the strategic planning project

### Councilor Ramseyer

- Remarks on the tourism potential for the Jonsrud Viewpoint camera project

### Councilor Smallwood

- The City needs to move forward quickly to address economic development staffing needs

### Councilor Mayton

- Applied for the Mt Hood Economic Alliance board opening
- Recap of the recent wastewater oversight committee meeting

### Council President Hokanson

(none)

### Mayor Walker

- Request for councilors to give input on the process for proclamations
- Overview of recent and upcoming meetings with Senator Merkley, Representative Dexter, Mt Hood Community College management and PGE management
- The Jonsrud Viewpoint camera also has the potential to incorporate HAM radio and air quality capabilities
- PGE should be a sponsor for Winterfest
- Economic Development Advisory Board feedback is desired regarding policy priorities
- Communication plans and strategies are needed for the City's wastewater projects

## STAFF UPDATES

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

## ADJOURN



# STAFF REPORT

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**Meeting Type:** City Council  
**Meeting Date:** March 3, 2025  
**From:** Tyler Deems, City Manager  
**Subject:** Draft 2025-27 City Council Goals

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**PURPOSE / OBJECTIVE:**

Review the draft of the City Council’s 2025-27 goals and provide feedback/direction as necessary.

**BACKGROUND / CONTEXT:**

The City Council [adopts goals](#) every two years to set priorities and strategic direction for the City. The goals identify the major initiatives, projects, and policies that the Council and staff will be dedicating time and resources over the next two years to achieve the Council’s vision for the community. Once adopted, staff develops a work plan for advancing and executing on the goals and aligns resources towards the goals in the Proposed Budget for the upcoming biennium.

**KEY CONSIDERATIONS / ANALYSIS:**

The City Council met for a goal setting session on [Saturday, February 1, 2025](#). For background, city departments provided updates on current projects and initiatives, as well as challenges and opportunities. The Council discussed and identified proposed goals and actions by department; staff compiled the proposals into a consolidated document for Council consideration and adoption.

**RECOMMENDATION:**

Review the draft of the City Council’s 2025-27 goals and provide feedback/direction as necessary.

Depending on the degree of further edits that are needed, the Council can either:

- Adopt the goals during this meeting, either as presented or as revised, OR
- Staff can develop a final draft for adoption at the March 17<sup>th</sup> meeting based on further Council input

**LIST OF ATTACHMENTS / EXHIBITS:**

- Draft City Council Goals: 2025-27

**DRAFT City Council Goals: 2025-27****Police**

- Enhance public safety and community livability through enforcement of the municipal code.
  - Establish a community livability committee.
- Continue addressing homelessness through partnerships with local and regional partners, including shared costs for staffing related to behavioral health needs.
- Continue to implement a traffic safety and speed enforcement program, including deployment of technology that will assist with enforcement and gather accurate speed data in areas of concern within the city.
  - Seek grant funding to support traffic safety and speed enforcement, and other programs within the Police Department.
- Evaluate the Public Safety Fee and explore options for basing fees on safety response demand.
- Ensure that the School Resource Officer program remains financially sustainable.
- Update Park Rules and City Facility Rules to ensure safe and equitable use for all.

**Library**

- Advocate for the financial independence of the Sandy and Hoodland Libraries.
  - Explore alternative funding sources if necessary.
- Identify and secure the remaining funds needed to upfit the outreach vehicle.

**SandyNet**

- Complete, adopt, and implement the SandyNet Master Plan to ensure the resiliency and sustainability of the utility, including staffing levels and space needs.
  - Develop clear criteria for determining when and where SandyNet expansion will occur.
- Advocate for development of a Clackamas County CBX master plan that incorporates Sandy's needs and priorities into the decision-making process for CBX system expansion in the Sandy area.

**Transit**

- Continue to promote transit as a safe, efficient mode of transportation; Continue to increase ridership.
- Implement infrastructure improvements, including the Operations Center expansion, bus stops along the Clackamas Town Center route, and other improvements within the City.
- Advocate at the state level for improvements in statewide transportation funding, including STIF distribution to small/rural agencies.
- Identify funding and procure alternative fuel vehicles.



## Parks and Recreation

- Invest in our park system for current and future residents of Sandy and continue expansion of recreational opportunities for the community.
  - Complete Deer Pointe Park construction, Meinig Park renovations, and Tickle Creek Trail restoration.
  - Pursue opportunities to purchase park land for future park facilities and/or natural area and open space preservation.
  - Continue to expand Winterfest, and make it sustainable in terms of funding and staff capacity.
- Provide support, resources, and assistance for a community-led effort to establish a parks and recreation special district.
- Explore interim improvements at the former Cedar Ridge site, including potential paving and necessary stormwater management.
- Identify strategies to reduce the utility costs associated with the Bornstedt Park Splash pad.
- Pursue budget options for enhancing the department's maintenance capacity.
- Prioritize environmental stewardship that aligns with the objectives of the City.

## Development Services

- Develop a clear policy for ERU allocation that is strategically aligned with the City's interests.
- Review and formally adopt the Economic Development Strategic Plan as a Comprehensive Plan background document.
- Take action to update the City's zoning map.
- Complete the Pleasant Street Master Plan with minimal reliance on consulting services.
- Apply for a ODOT Safe Routes to School Grant with the cooperation of the Oregon Trail School District.
- Develop short-term rental regulations and pursue flexibility for usage of associated revenue.
- Develop policies and pursue funding opportunities to make the community more resilient against wildfire and other natural hazards.
- Study options for updating the City's regulations on outdoor burning.
- Ensure compliance with state legislative and regulatory mandates through code amendments that are responsible and reflect the community's values.
- Continue to improve and refine code language, policies, and practices related to code enforcement.
  - Establish a code enforcement abatement fund.
- Continue to pursue options for cost recovery.

## Public Works

### Water

- Complete Alder Creek Water Treatment Plant improvements.
- Progress construction of Portland Filtration Transmission System to near completion.
- Complete Water Management Conservation Plan Update.

- Explore a tiered rate structure for water consumption; review and update agreements with wholesale water customers.
- Secure necessary funding to complete projects.
  - Update system development charges.
  - Pursue all options for securing outside funding assistance for infrastructure projects.

### Wastewater

- Continue to comply with the terms of the consent decree.
  - Complete and adopt the Wastewater Facilities Plan Amendment.
  - Complete UV upgrades and other repairs and maintenance at the wastewater treatment plant.
  - Execute required CMOM and SARP programs.
- Complete ARPA-funded grant projects before grant expiration in December 2026.
  - Secure the 190 additional ERUs conditionally approved under the Capacity Assurance Program.
- Explore possible alternative wastewater treatment systems to facilitate targeted economic development under the moratorium.
- Secure necessary funding to complete projects.
  - Convert exiting WIFIA loan to Gresham pipeline option.
  - Update system development charges.
  - Pursue all options for securing outside funding assistance for infrastructure projects.
- Provide comprehensive and accessible information on the City's water and wastewater infrastructure challenges, including past decisions, legal restrictions, evaluated options, proposed solutions, funding strategies, and implementation plans.

### Streets

- Complete pavement management plan; ensure pavement plans are visible and accessible to the public.
- Complete initial study of intersection at Highway 211 and Dubarko Road to determine required budget for safety improvements.
- Design and complete ADA ramps along Highway 211 as required by jurisdictional transfer agreement.
- Evaluate options to improve congestion at the intersection of Hwy 26 and Ten Eyck.

### Stormwater

- Begin development of stormwater master plan and rate study; address recovery of riparian areas as part of the plan.
- Continue to maintain and improve City assets.
  - Proactively manage and maintain stormwater treatment facilities.
  - Study potential upgrades to lower Meinig Park parking lot to address flooding.
  - Pursue solutions to challenges posed by center medians.
- Maintain compliance with existing and new state regulations related to stormwater.

**City Governance**

- Establish a Heritage Advisory Board to preserve and celebrate Sandy through historical preservation, public art, and heritage tourism.
- Establish a Community Awards program to honor significant contributions and achievements.
- Ensure adoption of asset management principles throughout the organization.
- Ensure proactive and effective communication with residents, particularly regarding major projects and fee impacts.
- Update the composition of the Urban Renewal Board.

**City Operations**

- Supplement staff capacity to implement the Economic Development Strategic Plan in pursuit of living wage jobs and a strong local economy.
- Improve the audio and visual technology in the Council Chambers.
- Address the City's immediate space needs; develop a long-term integrated space management plan that anticipates and plans for future needs.
- Budget for replacement of assets including vehicles and other major equipment.
- Encourage cross-department collaboration.
  - Collaborate on grant writing opportunities.
- Explore the possibility of hiring a grant writer.



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**Meeting Type:** City Council  
**Meeting Date:** March 3, 2025  
**From:** Kathleen Walker, City of Sandy Mayor  
**Subject:** Resolution to Support the MHCC Bond

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**DECISION TO BE MADE:**

Whether to authorize the Sandy Mayor to sign and forward a resolution that says the Sandy City Council is in support of the Mt. Hood Community College’s bond for the May election.

**BACKGROUND / CONTEXT:**

At the February 18, 2025 City Council meeting, committee members from the MHCC Bond committee presented their bond proposal scheduled for the ballot in May, 2025 to make long needed upgrades to their facilities. The City Manager forwarded documents to the City Council that list the bond project list and the presentation made to the City Council.

**KEY CONSIDERATIONS / ANALYSIS:**

The Mt. Hood Community College is a critical asset to the City of Sandy. They partner with Sandy High School to offer students the chance to take college level classes while still in high school, thereby saving time and money needed for additional college classes after graduation.

There are over 27,000 students that have a choice of over 120 professional programs to pursue. These programs include two-year programs that qualify and place students in well paying jobs like Surgical Technician, Respiratory Therapist, and Dental Hygienist. They also allow our community to save money getting one or two years of college locally, before heading off to complete a four-year program elsewhere.

MHCC has a low student to teacher ratio and a hands-on learning approach that maximizes students’ readiness to enter the job market directly after graduation. Their focus on training students for trade skills and careers that can sustain a family, allows our children to get an education and job that keeps them in our community. The MHCC bond will also make major improvements to their competition pool, allowing Sandy residents to have both competitive swim options, as well as lap and recreational swimming opportunities.

**BUDGET IMPACT:**

MHCC proposes a \$131 million bond that will cost tax payers in the District \$0.25 per \$1000 of assessed value. It is estimated to cost the over 200,000 District residents \$5 per month.

**RECOMMENDATION:**

Authorize the Mayor to sign Resolution 2025-09, stating that the Sandy City Council is in support of the \$131 million Mt Community College Bond on the May, 2025 ballot.

**SUGGESTED MOTION LANGUAGE:**

"I move to authorize the Sandy Mayor to sign Resolution 2025-09 demonstrating City Council support for the Mt. Hood Community College Bond for the May 2025 ballot.

**LIST OF ATTACHMENTS / EXHIBITS:**

- Resolution 2025-09
- Bond Project List
- MHCC Bond Presentation



**RESOLUTION NO. 2025-09**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANDY, OREGON, IN SUPPORT OF THE MT. HOOD COMMUNITY COLLEGE BOND MEASURE**

**WHEREAS**, the investment in MHCC will have a direct and positive impact on local businesses and industries by ensuring a well-trained workforce and supporting economic growth within the Sandy community; and

**WHEREAS**, the bond measure has been structured to be fiscally responsible, with oversight provisions in place to ensure transparency and accountability in the use of funds; and

**WHEREAS**, the Sandy City Council recognizes the importance of MHCC's role in fostering educational opportunities, economic development, and community engagement for residents of all ages; and

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SANDY, OREGON:**

1. The Sandy City Council formally expresses its support for the Mt. Hood Community College bond measure and encourages voters to approve the measure in the upcoming election.
2. The Sandy City Council recognizes the benefits of investing in higher education and workforce training as a means of strengthening the local economy and enhancing opportunities for residents.
3. The Sandy City Council will work collaboratively with the "Friends of Mt. Hood Community College" and community partners to raise awareness about the importance of the bond measure and its impact on the region.

This resolution is adopted by the City Council of the City of Sandy, Oregon, this 3rd day of March 2025.

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Kathleen Walker, Mayor

ATTEST:

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Jeffrey Aprati, City Recorder



## May 2025 Bond Project List

### **Expand career and technical education programs \$26,322,000**

- The Health Profession Programs will be consolidated through the establishment of new Nursing and Multidiscipline Labs and the renovation of existing labs. Interior spaces and building systems will be upgraded to meet the requirements of the labs.
- The existing science labs and support spaces will undergo complete renovation with upgraded and replaced building systems. These improvements will support science instruction, lab preparation processes, and chemical storage and handling.

### **Upgrade and modernize classrooms and facilities \$39,786,000**

- The renovation of library student study areas, interior spaces, and exterior envelopes will include upgraded and replaced building systems. These improvements aim to support and enhance general instruction, student collaboration, and library operations.
- The creation of "Activity Centers" will address both student academic and facility access needs. These areas will feature student lounges and study rooms while ensuring secure access to restrooms and newly renovated elevators.
- To enhance the campus's welcoming atmosphere for students and visitors, proposed improvements may encompass increased use of color and branding, activating underpasses with color, benches, and lighting, adding color and wayfinding elements to stairwells, and improving transparency into spaces through greater use of windows.
- The delivery of food services on campus is currently under review by MHCC Leadership. Proposed improvements involve modest renovations of Vista Dining and a complete renovation of the North Café.
- An IT-driven project aims to expand limited WiFi coverage in college buildings to ensure adequate connectivity for students, faculty, and visitors.
- Additional space is required in the Union to support student activities and involvement, particularly for Student Clubs. Space allocation and design will be inclusive, involving students at all phases.
- Classroom refresh initiatives will include updated interior finishes, instructional media, acoustic treatments, and furniture to support current and future teaching modalities. Classrooms will be properly sized and equipped with technology enhancements to accommodate a wide range of instructional methods.
- Title IX improvements will involve the renovation of locker rooms, team rooms, and toilet facilities. Upgrades to the softball field will include a new press box, concessions, toilet facilities, and enhanced dugouts.

### **Improve campus safety and accessibility \$38,861,000**

- Enhances the college's security and emergency response capabilities to ensure the safety of students, faculty, and visitors. Current limitations include insufficient camera coverage, no lockdown capabilities, limited card reader access, inadequate emergency announcement systems on the Gresham campus, no announcement abilities at Maywood or Bruning campuses, and separate systems requiring manual door locking during emergencies. Proposed improvements encompass wayfinding, hardening and modernization of Public Safety Dispatch, an electronic mass notification system, expanded fire alarm notification for the Gresham Campus, mass notification systems for Maywood and Bruning campuses, electronic lockdown functionalities for Gresham, Maywood, and Bruning campuses, select street entrance card access gates, an integrated electronic card access system with the alarm system, enhanced video surveillance linked to alarm/access systems, and emergency communications towers.
- Facilitates seismic upgrades for areas identified as vulnerable in a consultant's report, including the gymnasium, which may serve as a Red Cross Shelter during community emergencies.
- Upgrades existing elevators and renovates campus restrooms to include single use/family restrooms and lactation rooms, ensuring accessible facilities for all campus users.

### **Invest in sustainable and cost-effective infrastructure \$31,477,000**

- Support the architectural and site work necessary to install a retractable building structure for covering the 50m outdoor pool, enabling year-round operations.
- Replace exterior windows, roofs, and exterior wall improvements to ensure buildings remain dry, safe, and functional. Replace aged or end-of-life equipment for elevators, plumbing, HVAC, electrical systems, and ADA accessibility. Replace the aged carpet, finishes, casework, and allow for painting and updating of college spaces.
- Install cooling systems in IT network closets due to expanded equipment added to support student and college needs. Replace current camera systems and software to align with the IT roadmap. Demolish dilapidated modular buildings on campus.
- Replace deteriorating parking lots and sidewalks according to the asset preservation plan, including utilities in those areas being replaced.
- Abate remaining areas on campus that contain asbestos not covered under other listed projects.
- Drain and refill the million-gallon storage tank following consultant guidance from the 2014 report, remove concrete, repair concrete supports, fill with soil, restore courtyard concrete, and provide final resolution to the deteriorating tank with structural and seismic support.
- Bond project oversight.

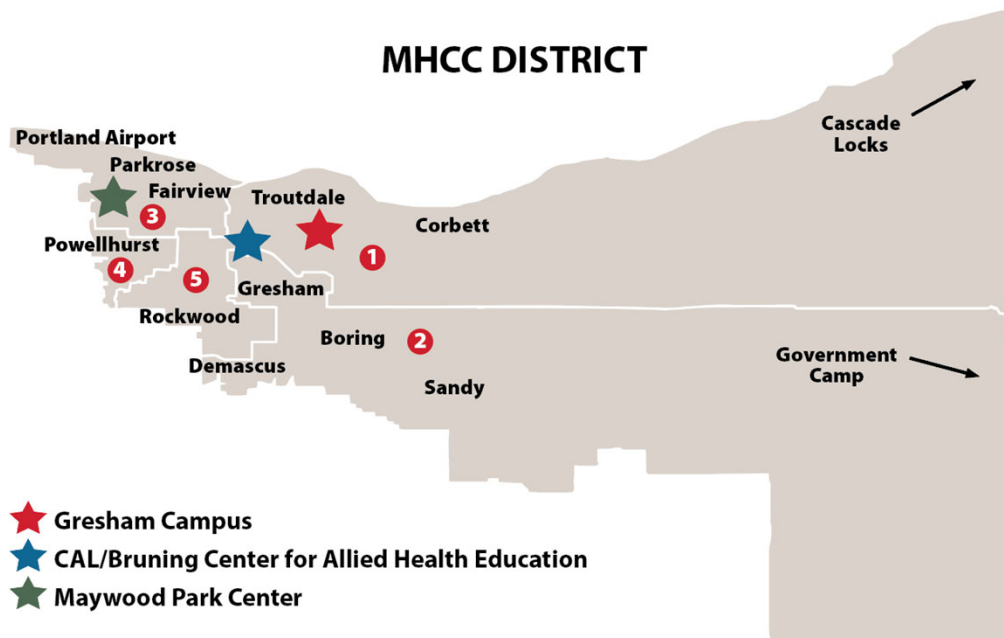




# MHCC Bond 2024



# WHO WE ARE



- Founded in 1966
- Serves Multnomah, Hood River, and Clackamas counties
- 3 campuses
- 1,053 employees
- 950 square miles
- 246,742 Registered Voters

# WHO WE ARE

## Programs

- Head Start
- High school dual credit
- Adult basic education, English as a Second Language, GED
- 100+ career technical programs
- Two-year transfer degrees
- Bachelor of applied science degree - Cybersecurity
- Community education
- SBDC and business training
- Apprenticeships





# ACCOMPLISHMENTS

- 4th in the US for quality education at an affordable price
- More than a million students served
- \$423.4 million impact to our local economy each year



Ranked 4th in WalletHub's  
Top 25 Community Colleges



# OUR STUDENTS

## 2022-2023 numbers

- 18,501 students
- 36% BIPOC
- 77% part-time
- Median age is 28



# MHCC and OREGON TRAIL SCHOOL DISTRICT

|          | <b>Dual Enrolled Students</b><br><i>(students still in high school)</i> | <b>Students Enrolled</b><br><i>(from any year excluding dual enrolled)</i> |
|----------|---|--|
| 2023-24* | 176*  | 338*   |
| 2022-23  | 187   | 353  |
| 2021-22  | 178   | 375  |
| 2020-21  | 137   | 437  |
| 2019-20  | 206   | 552  |

\*Data as of mid-April, 2024

## MHCC and SANDY

**596**

Students

**27**

Employees

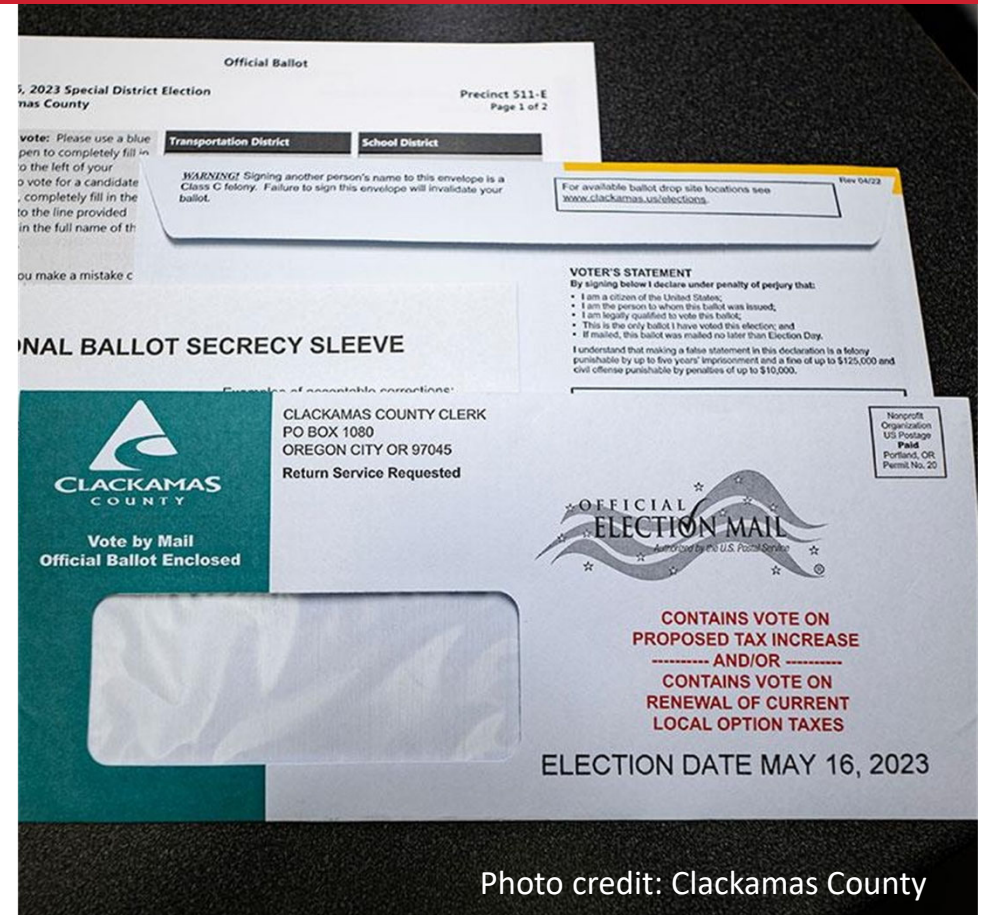


# WHAT IS A BOND ELECTION?

Colleges can borrow funding to pay for the construction, expansion and renovation of grounds and buildings.

Voters must approve these funds through a bond election on the ballot.

MHCC is looking to put a bond measure on the November 2024 ballot.





# DETERMINING THE 2024 PROPOSED BOND

## Bond History

1965 Passed \$6.5 million

1974 Passed \$6 million

2024 Possible bond



# DETERMINING THE 2024 PROPOSED BOND

## Identifying the Need

- Strategic Plan
- Academic Plan
- Enrollment Plan
- Comprehensive Facility Plan

**Total Need: \$201 million**



# DETERMINING THE 2024 PROPOSED BOND

## Bond Development Work Group

Stayce Blume, Salvador Blume Properties LLC  
 Jonath Colon, Centro Cultural  
 Dan Corcoran, McDonald Wetle  
 Ana Gonzalez Munoz, Latino Network/Reynolds SD  
 James Hiu, Gresham Barlow School District  
 Mark Kralj, MHCC Foundation  
 Renee Laborde, Soroptimist International  
 Dan Malinaric, Microchip  
 Willy Myers, Columbia Pacific Building Trades  
 Ken Richardson, David Douglas School District  
 Jairo Rios-Campos, Play East!/City of Fairview  
 Dave Robertson, Port of Portland  
 Christine Sanders, Greater New Hope  
 Lisha Shrestha, Division Midway  
 Ashton Simpson, Metro Council  
 Patricia Smith, Soroptimist International  
 Bess Wills, Gresham Ford

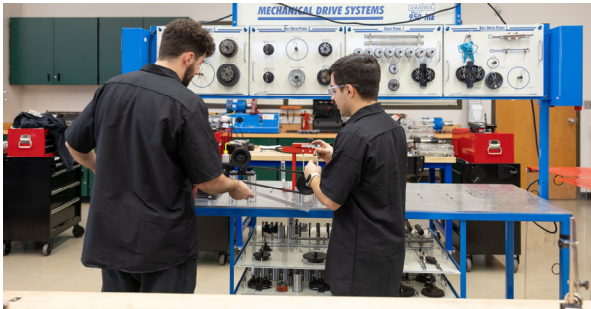
Pualani Derman, FT faculty (MHCC)  
 Dawn Loomis, Community Education and Workforce Dev.,  
 Apprenticeships (MHCC)  
 Jennifer McNeil, Career Planning Center (MHCC)  
 Colleen Meacham, Head Start (MHCC)  
 Emily Phoun, ASMHCC (student) Vice President  
 Marilyn Pitts, PT faculty (MHCC)

Lisa Skari, MHCC President  
 Al Sigala, VP College Advancement  
 Jennifer DeMent, VP Finance and Administration  
 Andrew Speer, MHCC Board Chair  
 Diane McKeel, MHCC Board Vice Chair  
 Annette Mattson, MHCC Board Member  
 Jeremy Wright, Wright Public Affairs  
 Sarah Lechner, Coraggio Group  
 Ben Patinkin, Patinkin Research



# THEMES AND PROJECTS:

The bond will positively impact our community and students in three ways



## PREPARE



Prepare students for success by creating learning spaces that are safe and offer cross disciplinary training



## INVEST



Invest in needed long term repairs, update and maintain assets



## CONNECT



Connect the college with our community

**Total Proposed Bond Measure: \$131 Million**

# PREPARE:

Prepare students for success by creating learning spaces that are safe and offer cross disciplinary training



## Establish a Center for Health Professions

- Supports some of the most in-demand programs
- Re-purposes existing space to create a Center for Health Professions
- Improves collaboration, training, and cross-disciplinary learning

## Modernize Science Labs

- Ensures safety
- Provides technology to help students engage with subject matter
- Supports student completion as part of the skilled workforce.

## Securing the safety of students and staff

- Improves safety and security on all three campuses
  - Lockdown abilities
  - Fire safety
  - Seismic retrofit
- Increases accessibility for people with disabilities



**INVEST:** Invest in needed long term repairs, update and maintain assets



## Renovate Aging Learning Spaces

- Renovates student study and interior spaces
- Modernizes learning spaces for today's hybrid and online learning needs

## Update, Repair and Preserve College Assets

- Updates, maintains, and repairs aging facilities
- Upgrades our aging computer labs and networks
- Installs energy efficiency upgrades
- Replaces outdated and inefficient central heating and cooling components



## CONNECT: Connect the college with our community

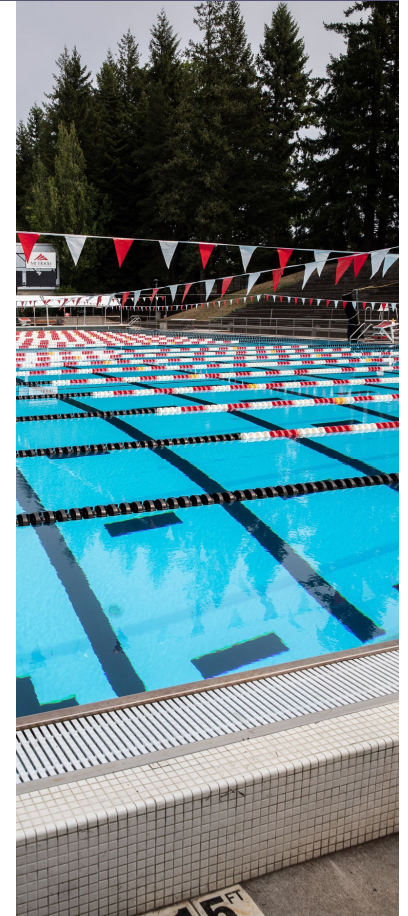


### Athletic and Community Pool Improvements

- Addresses community needs
- Updates athletic facilities to ensure equal athletic opportunities
- Installs retractable cover to allow for year-round use
  - Brings events to East County
  - Leverages state and local contributions

### Accessibility

- Ensures every student, staff, and visitor has access MHCC campus
- Improves existing elevators
- Makes all toilets on campus accessible





## BOND MEASURE COST

**Total bond proposal: \$131 Million**

Estimated cost =  
25 cents/\$1,000 of assessed value.

Average assessed house in district  
= \$5 a month





# BOND TIMELINE

1 Initial Internal Planning

2 Comprehensive Bond Planning and Development

3 Community Input – “Tell Us What You Think”

4 Board Action – to Place on Ballot

5 Bond Campaign – Educate, Motivate and Inspire



**FEEDBACK:**

***Bond@mhcc.edu***





# STAFF REPORT

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**Meeting Type:** City Council  
**Meeting Date:** March 3, 2025  
**From:** Tyler Deems, City Manager  
**Subject:** PUBLIC HEARING - Ordinance 2025-08: Urban Renewal Agency Board Modification

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## DECISION TO BE MADE:

Whether to modify the composition of the Sandy Urban Renewal Agency Board (Board).

## BACKGROUND / CONTEXT:

The Sandy Urban Renewal Agency was created in November 1998 via [Ordinance 1998-16](#). In January 1999, [Ordinance 1998-19](#) was adopted to expand the Board to include two additional members (one representative from Sandy Fire District and one from the business community). Most recently, the business community representative has been a member of the Sandy Area Chamber of Commerce.

The discussion to possibly modify the composition of the Board has taken place a few times over the past several years, with no direction ever being given to staff to actually take action. During the goal setting session that was held on [February 1, 2025](#), modifying the composition of the Urban Renewal Agency Board was discussed. It was noted during this discussion that, after reviewing the Board composition for 14 other nearby cities, Sandy was one of only two cities to have a Board include non-elected officials.

[Oregon Revised Statutes \(ORS\) Chapter 457](#) details the rules and regulations for Urban Renewal. More specifically, Chapter 457.055 allows for transfer of urban renewal agency powers at any time, provided that the transfer of power is adopted via ordinance. Ordinance 2025-08, if adopted, would repeal Ordinance 1998-19 and reinstate the original language from Section 2 of Ordinance 1998-16, which states:

*“The powers of the urban renewal agency of the City of Sandy as set forth in ORS Chapter 457 shall be exercised by the Sandy City Council, acting as the urban renewal agency of the City of Sandy. Any act of the Sandy City Council acting as the urban renewal agency shall be considered the act of the urban renewal agency only and the Sandy City Council.”*

## KEY CONSIDERATIONS / ANALYSIS:

In an effort to increase efficiencies with multiple Boards and Commissions, the Council supported the concept of modifying the composition of the Board. Aligning the composition of the Board to the City Council will assist in ensuring the following:

- Direct oversight of the Board is retained with elected officials
- Entirety of the Board is accountable to voters
- Direct alignment of goals, with the governing body being the same for both entities
- Consistency in number of budget committee members during the budget process
- Higher likelihood of full Board attendance at meetings

**BUDGET IMPACT:**

None.

**RECOMMENDATION:**

Pursuant to Council direction, staff recommends that the City Council hold a public hearing and adopt Ordinance 2025-08.

**LIST OF ATTACHMENTS / EXHIBITS:**

- Ordinance 2025-08



**ORDINANCE NO. 2025-08**

**AN ORDINANCE REPEALING ORDINANCE 1998-19 AND REINSTATING SECTION 2 OF ORDINANCE 1998-16.**

**WHEREAS**, the City Council adopted Ordinance 1998-16 on October 19, 1998, creating an urban renewal agency; and

**WHEREAS**, the City Council adopted Ordinance 1998-19 on January 4, 1999, expanding the urban renewal agency board to include one representative from the Sandy Fire District and one representative from the business community; and

**WHEREAS**, the City Council desires to transfer the authority to exercise powers of the urban renewal agency under ORS 457.055 and modify the membership of the urban renewal agency board to align with best practices and the most common membership formation.

**NOW, THEREFORE, THE CITY OF SANDY ORDAINS AS FOLLOWS:**

**Section 1:** Ordinance 1998-19 is repealed; and

**Section 2:** Ordinance 1998-16 Section 2 is reinstated as follows:

“The powers of the urban renewal agency of the City of Sandy as set forth in ORS Chapter 457 shall be exercised by the Sandy City Council, acting as the urban renewal agency of the City of Sandy. Any act of the Sandy City Council acting as the urban renewal agency shall be considered the act of the urban renewal agency only and not the Sandy City Council.”

This ordinance is adopted by the City Council of the City of Sandy this 3rd day of March, 2025.

\_\_\_\_\_  
Kathleen Walker, Mayor

ATTEST:

\_\_\_\_\_  
Jeffrey Aprati, City Recorder



# STAFF REPORT

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**Meeting Type:** City Council Meeting  
**Meeting Date:** March 3<sup>rd</sup> 2025  
**From:** Tyler Wallace, Finance Director  
**Subject:** Resolution 2025-07: Updating Public Contracting Rules

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**DECISION TO BE MADE:**

Decide whether to adopt Resolution 2025-27, updating the City of Sandy’s Public Contracting Rules.

**PURPOSE / OBJECTIVE:**

Update the City’s Public Contracting Rules to reflect changes to State law and model rules.

**BACKGROUND / CONTEXT:**

Public contracting rules generally have different prescribed processes for different types of procurements. These processes are generally set by rule or policy and allow smaller dollar contracts to be awarded by less formal process and require more rigorous formal processes for higher dollar contracts.

The City of Sandy’s contracting rules are currently laid out in [Resolution 2017-28](#). These sets of rules are categorized by personal service contracts, construction related personal service contracts, and contracts for goods and services.

The State of Oregon has updated their public contracting code and model rules multiple times since 2017, including in 2019 to permit local agencies to consider cost when procuring architects and engineers in limited contexts, and most recently in 2023 to increase procurement monetary thresholds. All statutory changes are reflected in Resolution 2025-07.

Sandy’s current contracting rules and thresholds have been in effect since 2017. Staff have worked closely with legal counsel to draft this updated policy.

**KEY CONSIDERATIONS / ANALYSIS:**

- The proposed changes bring the City of Sandy into alignment with State procurement laws.
- The procurement threshold changes mirror State law. Additionally, as this Policy has not been updated since 2017, updating these thresholds combats the impact of inflation.



- Sandy is in an extended time period with a large number of infrastructure development projects. Many of these projects require expediency in procurement and contracting processes to meet deadlines. Meeting these deadlines is critical as many projects have interdependencies with other projects. Changing the thresholds for procurement processes allows the City to move with the nimbleness these projects require.

## **SUMMARY OF CHANGES:**

- 1.10.020: Personal Service Contracts.

These are contracts for personal or professional services performed by an independent contractor, primarily for the provision of services that require specialized technical, creative, professional or communication skills or talents, unique and specialized knowledge, or the exercise of discretionary judgment skills, and for which the quality of the service depends on attributes that are unique to the service provider. For the purposes of this section, personal services contracts do not include contracts for construction-related personal services when only such professionals may legally provide the service.

This Section is amended to follow a procurement path consistent with that of Good and Services. Legal Counsel has advised that this is the conservative approach, but is in line with the approach taken by most Oregon cities.

- Small procurements: Contracts between \$0 - \$25,000. Threshold moves from \$15,000 to \$25,000. City Manager may choose the most qualified contractor without any procurement process for contracts up to \$25,000.
- Intermediate procurement: Contracts between \$25,001 and \$250,000. Threshold moves from \$75,000 to \$250,000. City Manager is required to contact a minimum of three prospective contractors and may make a selection based on City's best interest.
- Formal Procurement: Contracts exceeding \$250,000. Threshold moves from \$75,000 to \$250,000. Requires that City issue either a formal invitation to bid or request for proposals to select a prospective consultant.
- Direct Selection Process: This process empowers the City Manager to directly select certain types of contracts without a procurement process regardless of dollar amount to meet the City's needs.
  - The purpose of this selection type is to allow for expediency and efficiency when needed in contractor selection. City Manager is still constrained by their signature authority limit to authorize contracts. Contracts exceeding the City Manager's signature authority still come to Council for approval.

- 1.10.025: Construction Related Personal Service Contracts

This section is amended to reflect State law. The prior policy did not outline policies for small or intermediate procurement processes for Construction Related Personal Service Contracts. There was only a \$100,000 threshold for formal procurements.

- Small Procurements: By definition, 1.10.025 applies to construction related contracts over \$100,000. This policy now sets a small procurement threshold of \$100,000 and defines a process in line with the personal service processes for small procurements. The City Manager may select a construction related contract under \$100,000 in any manner they find practical or convenient.
  - Intermediate Procurements: Applies to contracts over \$100,000 and up to \$250,000. City Manager is required to contact a minimum of three prospective contractors and make a selection based on the City's best interest.
  - Large Procurements: Contracts exceeding \$250,000. Requires that city follow formal procurement process including an Request for Proposal (RFP), or Request for Quote (RFQ) followed by RFP.
- 1.10.030 Small Procurement for Goods and Services and Public Improvements
    - Contracts between \$0 and \$25,000. Threshold moves from \$10,000 to \$25,000 in accordance with State law. City Manager may select in any manner they find practical or convenient.
    - Permits a contract amendment up to a \$31,250 threshold without further procurement process.
  - 1.10.040 Intermediate Procurement for goods and Services and Public Improvements
    - Threshold is established for contracts exceeding \$25,000 and up to \$250,000 for procurement of goods and services and \$25,000 to \$100,000 for public improvement. City Manager will contact a minimum of three prospective contractors. They will request an estimated fee and make the selection consistent with City's best interest.
    - Permits a contract amendment up to a \$312,500 threshold for goods and services contracts, and \$125,000 for public improvement contracts, without further procurement process.
  - 1.10.050 Large Procurement for Goods and Services and Public Improvements
    - Threshold established for contracts exceeding \$250,000 for procurement of goods and services. The threshold is \$100,000 for public improvement contracts. City shall conduct formal procurement process in accordance with Oregon Administrative Rules which requires and Invitation to Bid (ITB) or RFP.



- 1.10.060 Authority to electronically advertise public contracts
  - Clarifies that all public contracts may be electronically advertised.
- 1.10.070 Special Procurements, Sole-Source Procurements, and exemptions
  - Special Procurements:
    - This resolution adds provisions for special procurement. Council may exempt certain contracts or classes of contracts for goods, services, and personal services from a competitive bid if certain criteria are met, in accordance with state law.
  - Sole Source Procurements:
    - Council may award contracts for goods, services, or personal services from a sole source without a competitive process if the goods or services are only available from one company or if the company has special skills uniquely required for the contract.
  - Exemption
    - Council may exempt certain contract or classes of contract for public improvement from invitation to bid process in accordance with state law.
- 1.10.080 Emergency Contracts
  - This Resolution moves emergency contracting provisions into its own section and follows state law and process.
    - When an emergency exists, the City may directly award or appoint contracts for goods, services, personal services, construction related personal services and public improvement contracts.
- 1.10.100 Procedure for Surplus Property
  - Resolution expands City Manager authority to dispose of surplus property by broadening permissible methods to include, “transfer to another government agency, auction, liquidation or fixed price sale, trade in”.

- 1.10.110 Signature Authority
  - This Resolution increases the City Manager signature authority to sign contracts for budgeted items without City Council approval from \$100,000 to \$125,000. This adjustment represents an inflationary adjustment. City Manager signature authority mitigates the need for every contract to go before Council for approval and allows the City to efficiently conduct day to day business as well as effectively execute project timelines.

**Summary Table of Threshold Changes:**

|   |           | Current Policy | Proposed Policy |
|---|-----------|----------------|-----------------|
| <b>Personal Services</b>                      |           |                |                 |
| Small Procurement                             | Up to     | \$ 15,000      | \$ 25,000       |
| Intermediate Procurement                      | Up to     | \$ 75,000      | \$ 250,000      |
| Formal Procurement                            | Exceeding | \$ 75,000      | \$ 250,000      |
| <b>Construction Related Personal Services</b> |           |                |                 |
| Small Procurement                             | Up to     | N/A            | \$ 100,000      |
| Intermediate Procurement                      | Up to     | N/A            | \$ 250,000      |
| Formal Procurement                            | Exceeding | \$ 100,000     | \$ 250,000      |
| <b>Goods and Services</b>                     |           |                |                 |
| Small Procurement                             | Up to     | \$ 10,000      | \$ 25,000       |
| Intermediate Procurement                      | Up to     | N/A            | \$ 250,000      |
| Large Procurement                             | Exceeding | N/A            | \$ 250,000      |
| <b>Public Improvements</b>                    |           |                |                 |
| Small Procurement                             | Up to     | N/A            | \$ 25,000       |
| Intermediate Procurement                      | Up to     | N/A            | \$ 100,000      |
| Large Procurement                             | Exceeding | N/A            | \$ 100,000      |
| City Manager Signature Authority              | Up to     | \$ 100,000     | \$ 125,000      |

**BUDGET IMPACT:**

None.

**RECOMMENDATION:**

Staff recommends that City Council vote to adopt Resolution No. 2025-07 updating the City of Sandy's Public Contracting Rules and Schedule of Signature Authority

**SUGGESTED MOTION LANGUAGE:**

"I make a motion to adopt Resolution No. 2025-07 updating the City of Sandy's Public Contracting Rules and Schedule of Signature Authority"

**LIST OF ATTACHMENTS / EXHIBITS:**

- Resolution 2025-07



## RESOLUTION NO. 2025-07

### **A RESOLUTION ADOPTING PUBLIC CONTRACTING RULES AND SCHEDULE OF SIGNATURE AUTHORITY AND REPEALING RESOLUTION 2017-28**

**WHEREAS**, The Oregon Public Contracting Code (“Code”), codified in ORS chapters 279A, 279B and 279C, governs most public contracting and procurement.; and

**WHEREAS**, The Code requires local governments to adopt rules governing personal service contracts, or else default to the Model Rules (defined below).; and

**WHEREAS**, The Oregon Attorney General’s Office promulgates rules implementing the Code (the “Model Rules”). The Model Rules are found in Oregon Administrative Rules Chapter 137, divisions 46, 47, 48 and 49. The Model Rules are applicable to the City’s contracting and procurement unless the City adopts alternative rules that are consistent with the Code.; and

**WHEREAS**, Sandy’s current public contracting rules are contained in Resolution 2017-28.; and

**WHEREAS**, The City wants to update its contracting rules. Therefore, the Sandy City Council repeals Resolution 2017-28 and adopts this resolution as the City’s contracting rules.

### **NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SANDY:**

**Section 1.** Public Contracting Rules for the City of Sandy.

#### **1.10.010 General provisions**

(1) Except as provided within these rules, City public contracting is governed by the Code and the Model Rules. These rules will prevail in the case of a conflict between them and the Model Rules.

(2) The Sandy City Council is the City’s Contract Review Board (“Board”). Except as otherwise provided in these rules, the powers and duties of the Board under the Code and Model Rules will be exercised by the Board and the powers and duties given or assigned to contracting agencies by the Code or Model Rules will be exercised by the City Manager acting as the City’s contracting agent.

(3) For the purposes of these rules, “City Manager” means the City Manager for the City of Sandy, or the City Manager’s designee.

(4) For the purposes of these rules, “emergency” means circumstances that:

- (a) Could not have been reasonably foreseen;
- (b) Create a substantial risk of loss, damage or interruption of services or a substantial threat to property, public health, welfare or safety; and
- (c) Require prompt execution of a contract to remedy the condition.

#### **1.10.020 Personal service contracts**

(1) Definition. “Personal service contract” means a contract for personal or professional services performed by an independent contractor, primarily for the provision of services that require specialized technical, creative, professional or communication skills or talents, unique and specialized knowledge, or the exercise of discretionary judgment skills, and for which the quality of the service depends on attributes that are unique to the service provider. Such services include, but are not limited to, the services of attorneys, accounting and auditing services, information technology services, planning and development services, artists, performers, property managers and consultants. The City Manager has discretion to determine whether a particular contract or service falls within this definition. For the purposes of this section, personal services contracts do not include contracts for construction-related personal services when only such professionals may legally provide the service. The procedures for construction-related personal service contracts are found below at section 1.10.025.

(2) Small Procurements. The City Manager may enter into personal service contracts not exceeding an estimated \$25,000 in any manner, including direct selection. However, the City Manager must make reasonable efforts to choose the most qualified contractor to meet the City’s needs. The amount of a given contract may not be manipulated to avoid the informal or formal selection procedures.

(3) Intermediate Procurements. The following informal selection procedure may be used when the estimated payment to the contractor is equal to or less than \$250,000. The City Manager will contact a minimum of three prospective contractors qualified to offer the services sought. The City Manager will request an estimated fee, and make the selection consistent with the City’s best interests, as determined in the City Manager’s sole and exclusive discretion. If three quotes are not received, the City Manager will make a written record of efforts to obtain the quotes.

(4) Formal Procurements. Contracts for personal services for which (1) the estimated contract price exceeds \$250,000 in total, or (2) the City anticipates executing as an on-call, master, or other contract form with an indefinite value, shall be awarded under either a publicly advertised request for proposals (in accordance with ORS 279B.060) or invitation to bid (in accordance with ORS 279B.055). The City may adopt further guidelines to support this process.

(5) Direct Selection. The following classes of personal service contracts may be selected in any manner which the City Manager deems appropriate to the City’s needs, regardless of the estimated contract price:

- (a) city attorneys, special counsel, city prosecutors, litigators, and hearings officers.
- (b) Software as a service providers.
- (b) Auditors.
- (c) Information technology support service providers.
- (d) Advertising agencies.

#### **1.10.025 Contracts for construction-related personal services**

(1) Purpose. This section implements ORS 279C.100 to .125. The City will rely on this subsection, not the Model Rules, when it seeks to contract with an architect, engineer, photogrammetrist, land surveyor or (in very narrow instances) a transportation planner (collectively, “construction-related personal services”).

(2) Applicability. This section applies only to services meeting the following criteria:

- (a) A contract with an Estimated Fee that exceeds \$100,000; and
- (b) The contract is for a service that is *legally required* to be provided or performed by an architect, engineer, photogrammetrist, transportation planner or land surveyor. For example: hiring an architect to design a building or structure, or hiring an engineer to design a wastewater system. Because the law requires licensed professionals to design buildings and infrastructure, the City would rely on this subsection to hire someone to perform those services. However, if the City were hiring an architect or engineer to perform project management services (for example), it may solicit and award such services under section 1.10.020 of these rules. See definition of “Related Services” below.

(c) If either (a) or (b) above is not satisfied, then the City may rely on section 1.10.020 of these rules to solicit and award the contract.

(d) Mixed contracts. Some contracts will contain a mixture of services covered by this section (i.e. services that only the particular consultant may legally perform) and Related Services. Whether the City uses section 1.10.020 or this section to solicit and award a mixed contract will depend upon the contract’s predominate purpose. The City will determine the predominant purpose based upon either the amount of money it estimates it will spend for covered services versus Related Services or the amount of time it estimates it the consultant will spend working on covered services versus Related Services. If covered services predominate, the City will solicit the contract under this section. If Related Services predominate, the City will solicit the contract under section 1.10.020.

(3) Definitions. The following definitions apply to this section:

(a) "Construction-Related Consultant" means an architect, engineer, photogrammetrist, land surveyor, a transportation planner in narrow instances defined below or a provider of Related Services.

(b) "Estimated Fee" means the City's reasonably projected fee to be paid for a Construction-Related Consultant's services under the anticipated contract, excluding all anticipated reimbursable or other non-professional fee expenses. The Estimated Fee is used solely to determine the applicable contract solicitation method and is distinct from the total amount payable under the contract.

(c) "Price Agreement" is limited to mean an agreement related to the procurement of construction-related personal services, or Related Services, under agreed-upon terms and conditions and possibly at a set price with:

(A) No guarantee of a minimum or maximum purchase; or

(B) An initial order or minimum purchase, combined with a continuing obligation to provide construction-related personal services or Related Services where the City does not guarantee a minimum or maximum additional purchase.

(d) "Project" means all components of a City-planned undertaking that gives rise to the need for a Construction-Related Consultant's construction-related personal services, or Related Services, under a contract.

(e) "Transportation Planning Services" only includes Project-specific transportation planning required for compliance with the National Environmental Policy Act, 42 USC 4321 et seq. and no other types of transportation planning services. By way of example only, Transportation Planning Services do not include transportation planning for corridor plans, transportation system plans, interchange area management plans, refinement plans and other transportation plans not associated with an individual Project required to comply with the National Environmental Policy Act, 42 USC 4321 et. seq.

(f) "Related Services" means personal services, other than construction-related personal services, that are related to planning, designing, engineering or overseeing public improvement projects or components of public improvements, including, but not limited to, landscape architectural services, facilities planning services, energy planning services, space planning services, hazardous substances or hazardous waste or toxic substances testing services, cost estimating services, appraising services, material testing services, mechanical system balancing services, commissioning services, project management services, construction management services, and owner's representation services or land-

use planning services. In other words, personal services that are *not required by law* to be performed by an architect, engineer, photogrammetrist, transportation planner or land surveyor.

(4) Small Procurements. For clarity's sake, the City Manager may enter into construction-related personal service contracts when the Estimated Fee to the Construction-Related Consultant is less than \$100,000 in any manner the City Manager finds practical or convenient, including direct selection or award. The amount of a given contract may not be manipulated to avoid the informal or formal selection procedures.

(5) Intermediate Procurements. The following informal selection procedure may be used when the Estimated Fee to the Construction-Related Consultant is above \$100,000 and equal to or less than \$250,000. The City Manager will contact a minimum of three (3) prospective Construction-Related Consultants qualified to offer the services sought. The City Manager will request an estimated fee and make the selection consistent with the City's best interests, to the most qualified consultant, as determined in the City Manager's sole and exclusive discretion. If three (3) quotes are not received, the City Manager will make a written record of efforts to obtain three quotes.

(6) Large Procurements.

(a) When the Estimated Fee to the Construction-Related Consultant is above \$250,000, or when the City anticipates executing as an on-call, master, or other form of contract with an indefinite value, the City must award a contract to the most qualified consultant.

(b) Unless the City follows the process set forth in subsection (c) below, the City may only solicit or use pricing policies and pricing proposals, or other price information, including the number of hours proposed for the services required, expenses, hourly rates and overhead, to determine a Construction-Related Consultant's compensation *after* the City has selected the most qualified consultant.

(c) Notwithstanding subsection (b) of this Section, the City may request pricing policies or pricing proposals from prospective consultants, including an estimate of the number of hours that will be needed to perform the work described in the solicitation, and a schedule of hourly rates, if the City:

(A) States in the following in its solicitation document:

- a. That the City will screen and select prospective consultants as provided in ORS 279C.110(5);
- b. How the City will rank proposals from prospective consultants, with a specific focus on:



- i. Which factors the City will consider in evaluating proposals, including pricing policies, proposals or other pricing information, if the City will use pricing policies, proposals or other pricing information in the evaluation; and
    - ii. The relative weight the City will give each factor, disclosing at a minimum the number of available points for each factor, the percentage each factor comprises in the total evaluation score and any other weighting criteria the City intends to use;
  - c. An estimate of the cost of professional services the City requires for the procurement; and
  - d. A scope of work that is sufficiently detailed to enable a prospective consultant to prepare a responsive proposal.
- (B) Evaluates each prospective consultant on the basis of the prospective consultant's qualifications to perform the professional services the City requires for the procurement.
- (C) Announces the evaluation scores and rank for each prospective consultant after completing the evaluation described in paragraph (B) of this subsection. The City may determine that as many as three of the top-ranked prospective consultants are qualified to perform the professional services the City requires for the procurement and may request a pricing proposal for the scope of work stated in paragraph (A)(d) of this subsection from each of the top-ranked consultants. The pricing proposal must consist of:
- a. A schedule of hourly rates that the prospective consultant will charge for the work of each individual or each labor classification that will perform the professional services the City requires for the procurement, in the form of an offer that is irrevocable for not less than 90 days after the date of the proposal; and
  - b. A reasonable estimate of hours that the prospective consultant will require to perform the professional services the City requires for the procurement.
- (D) Permits a prospective consultant identified as qualified under paragraph (C) of this subsection to withdraw from consideration for the procurement if the prospective consultant does not wish to provide a price proposal.

- (E) Completes the evaluation and selects a consultant from among the top-ranked prospective consultants that have not withdrawn as provided under paragraph (D) of this subsection, giving not more than 15 percent of the weight in the evaluation to each prospective consultant's price proposal.

(d) When soliciting a Construction-Related Consultant under this section, the City will use a Request for Proposals ("RFP") or a Request for Qualifications ("RFQ") followed by a RFP, as described below. The City may advertise RFQs and RFPs in any manner it deems appropriate. If the City directly solicits qualifications or proposals from Construction-Related Consultants, it will attempt to contact at least three consultants.

(e) RFQ. The City may in its sole discretion issue a RFQ to evaluate potential Construction-Related Consultants and establish a short list of qualified Construction-Related Consultants to whom it may issue an RFP for some or all of the construction-related personal services or Related Services described in the RFQ. RFQs may include:

- (A) A brief Project description;
- (B) A description of the architectural, engineering, photogrammetric mapping, transportation planning or land surveying services or Related Services required for the Project;
- (C) Any conditions or limitations that may constrain or prohibit the selected Construction-Related Consultant's ability to provide additional services related to the Project, including but not limited to construction services;
- (D) A response deadline and a description of how or where to submit a response;
- (E) A statement that interested consultants respond solely at their own expense;
- (F) RFQ evaluation criteria; and
- (G) Any other elements the City Manager deems appropriate.

(f) RFP. The City will issue an RFP to select the most qualified Construction-Related Consultant, regardless of whether an RFQ precedes an RFP. RFPs will include:

- (A) A description of the Project and the specific architectural, engineering, photogrammetric mapping, transportation planning or land surveying services or Related Services sought for the Project, the estimated Project cost, the estimated time period during which the Project is to be completed, and the estimated time period in which the specific

architectural, engineering, photogrammetric mapping, transportation planning or land surveying services or Related Services sought will be performed;

(B) The RFP evaluation process and the criteria that the City will use to select the most qualified Construction-Related Consultant, including the weight, points or other classifications applicable to each criterion. Without limitation, the criteria may include:

(i) Proposers' availability and capability to perform the services described in the RFP;

(ii) Experience of proposers' key staff persons in providing similar services on similar projects within the last three years;

(iii) The amount and type of resources, and number of experienced staff persons Proposers will commit to the Project;

(iv) Proposers' demonstrated ability to successfully complete similar Projects on time and within budget, including the hourly rates for key personnel and related cost data for similar Projects in the previous 12 months;

(v) References and recommendations from past clients; and

(vi) Any other criteria the City Manager deems appropriate.

(C) Conditions or limitations, if any, that may constrain or prohibit the selected Construction-Related Consultant's ability to provide additional services related to the Project, including but not limited to construction services;

(D) Whether interviews will or may occur and, if so, how the interview will factor into the City's selection;

(E) A proposal deadline and a description of how or where to submit a proposal;

(F) A statement whether the City will accept proposals in electronic format;

(G) A statement that interested consultants respond solely at their own expense;

(H) A statement reserving the City's right to reject any or all proposals and its right to cancel the RFP at any time if doing either would be in the public interest;

(I) A statement directing proposers to the protest procedures set forth in the RFP;

(J) A statement whether or not the City will hold a pre-proposal meeting for all interested Construction-Related Consultants to discuss the Project and if a pre-Proposal meeting will be held, the location of the meeting and whether or not attendance is mandatory; and

(K) Any other elements the City Manager deems appropriate.

(g) After selecting the most qualified Construction-Related Consultant in accordance with a RFP, the City will notify each proposer accordingly and state that it will begin negotiating a contract with the most qualified consultant. A resulting contract will at least include:

(A) The consultant's performance obligations and performance schedule;

(B) Payment methodology and a maximum amount payable to the consultant for the services required under the contract;

(C) Legally required terms; and

(D) Any other provisions the City believes to be in its best interest to negotiate.

(h) The City will formally terminate negotiations in writing with the most qualified consultant if it is unable for any reason to negotiate a contract within a reasonable amount of time, as the City may determine in its sole discretion. The city may thereafter negotiate with the second ranked consultant, and if necessary, with the third ranked consultant, and so on, until negotiations result in a contract. If negotiations with any consultant do not result in a contract within a reasonable amount of time, the City may end the particular solicitation. Nothing in this section precludes the City from re-entering negotiations, in its own discretion, with a consultant if negotiations were previously terminated for the same contract.

(7) Price agreements. Solicitation materials and the terms and conditions for a Price Agreement for construction-related personal services or Related Services must:

(a) Include a scope of services, menu of services, a specification for services or a similar description of the nature, general scope, complexity and purpose of the procurement that will reasonably enable a Construction-Related Consultant to decide whether to submit a proposal;

(b) Specify whether the City intends to award a Price Agreement to one consultant or to multiple consultants. If the City will award a Price Agreement to more than one consultant, the solicitation document and Price Agreement will describe the criteria and procedures the City will use to select a consultant for each individual work order or task order. Subject to the requirements of ORS 279C.110, the criteria and procedures to assign work orders or task orders that only involve or predominantly involve architectural, engineering, photogrammetric mapping, transportation planning or land surveying services are at the City's sole discretion.

- (c) Specify the maximum term for assigning services under the Price Agreement.

**1.10.030 Small procurements (Under \$25,000) for Goods and Services, and Public Improvements**

- (1) Any procurement of goods, services, or public improvements not exceeding \$25,000 may be awarded in any manner the City Manager finds practical or convenient, including direct selection or award.
- (2) A small procurement contract may be amended in accordance with OAR 137-047-0800 or OAR 137-049-0910, as applicable, but the cumulative amendments may not increase the total contract price to greater than \$31,250.
- (3) A procurement may not be artificially divided or fragmented to qualify for this section.

**1.10.040 Intermediate Procurements for Goods and Services, and Public Improvements**

- (1) If a contract for procurement of goods and services estimated to cost between \$25,000 and \$250,000, or a contract for a public improvement that is estimated to cost between \$25,000 and \$100,000, the City Manager will contact a minimum of three (3) prospective contractors qualified to offer the goods or services or public improvement sought. The City Manager will request an estimated fee and make the selection consistent with the City's best interests, as determined in the City Manager's sole and exclusive discretion. If three (3) quotes are not received, the City Manager will make a written record of efforts to obtain three quotes.
- (2) The City may amend a public contract awarded as an intermediate procurement beyond the stated limitations in accordance with OAR 137-047-0800 or OAR 137-049-0910, as applicable, provided the cumulative amendments shall not increase the total contract price to a sum that is greater than \$312,500 for goods or service contracts, or to a sum that is greater than \$125,000 for public improvement contracts.
- (3) A procurement may not be artificially divided or fragmented to qualify for this Section.

**1.10.050 Large Procurements for Goods and Services, and Public Improvements**

- (1) When the estimated payment to the contractor for goods or services is above \$250,000, or when the City anticipates executing as an on-call, master, or other form of contract with an indefinite value, the City shall either solicit an invitation to bid in accordance with OAR 137-047-0255 or a request for proposals in accordance with OAR 137-047-0260. The City may adopt further guidelines to support this process within the procurement documents approved by the City.
- (2) When estimated payment to the contractor for a public improvement is above \$100,000, the City shall follow the solicitation procedures set forth in OAR 137-049-0200.

- (3) A procurement may not be artificially divided or fragmented to avoid this Section.

**1.10.060 Authority to electronically advertise public contracts**

(1) Pursuant to ORS 279C.260 and ORS 279B.055, electronic advertisement of public contracts for goods, services, personal services, construction-related personal services, and public improvements in lieu of newspaper publication is authorized when it is cost effective to do so. As described in OAR 137-046-0110(16), this is an information system accessible through the internet that allows the City to post electronic advertisements and receive electronic offers for goods, services, personal services, construction-related personal services, and public improvements. The City Manager shall have the authority to determine when electronic publication is appropriate, and consistent with the City's contracting policies.

(2) Notwithstanding Section (1), an advertisement for a public improvement contract with an estimated cost over \$125,000 must be published at least once in a trade newspaper of general statewide circulation, such as the Daily Journal of Commerce.

**1.10.070 Special procurements, sole-source procurements, and exemptions**

(1) Special Procurements. The Board may exempt from competitive bidding certain contracts or classes of contracts for procurement of goods, services, and personal services according to the procedures described in ORS 279B.085. The Board shall document the authorization of a special procurement via written resolution.

(2) Sole Source. The Board may award a contract for goods, services, or personal services from a single source if the goods, services, or personal services are available from only one company, or the prospective company has special skills uniquely required for the provision of the goods or the performance of the services. The City must make written findings to demonstrate why the proposed company is the only company who can provide the goods or perform the services desired, in general compliance with ORS 279B.075, and shall document the authorization of a sole source procurement via written resolution.

(3) Exemption. The Board may exempt certain contracts or classes of contracts for public improvements from the invitation to bid process according to the procedures described in ORS 279C.335. When exempting a public improvement from the invitation to bid process, the Board may authorize the contract to be awarded using a request for proposal process for public improvements, according to the processes described in OAR 137-049-0640 through 137-049-0690. In all instances, the Board shall document the authorization of an exemption via written resolution.

(4) Hybrid Contracts. After seeking and receiving an exemption pursuant to Section (3), the following classes of contracts which include elements of public improvement services as well as construction-

related personal services may be awarded under a request for proposals, unless otherwise exempt from competitive solicitation:

- (a) Design/Build and CM/GC Contracts. Contracts for public improvements using a design/build or construction manager/general contractor construction method shall be awarded under a request for proposals.
- (b) Energy Savings Performance Contracts. Unless the contract qualifies for award under another classification in these Public Contracting Rules, contractors for energy savings performance contracts shall be selected under a request for proposals.

#### **1.10.080 Emergency Contracts**

- (1) Emergency contracts for procurement of goods, services, and personal services may be awarded pursuant to ORS 279B.080.
- (2) Pursuant to ORS 279C.110(11), the City may directly appoint a construction-related personal service contract in an emergency.
- (3) The City hereby adopts OAR 137-049-0150 as its contracting rules for awarding a public improvement contract under emergency conditions.
- (4) An official who enters into an emergency contract shall, as soon as possible, in light of the emergency circumstances: (1) document in written findings the nature of the emergency, the method used for selection of the particular contractor, and the reason why the selection method was deemed in the best interest of the City and the public; and (2) notify the Board of the facts and circumstances surrounding the emergency execution of the contract.

#### **1.10.090 Notice of intent to award certain contracts**

- (1) At least seven days before the award of a public contract solicited under a formal invitation to bid or request for proposals, the City will post or provide to each bidder or proposer notice of the City's intent to award a contract.
- (2) If stated in the solicitation document, the City may post this notice electronically or through non-electronic means and require the bidder or proposer to determine the status of the City's intent.
- (3) As an alternative, the City may provide written notice to each bidder or proposer of the City's intent to award a contract. This written notice may be provided electronically or through non-electronic means.



(4) The City may give less than seven days' notice of its intent to award a contract if the City determines in writing that seven days is impracticable.

(5) This section does not apply to public contracts awarded under Sections 1.10.020(2) and (3), 1.10.025(4) and (5), 1.10.030, 1.10.040, 1.10.070, or 1.10.080.

(6) A protest of the City's intent to award a contract may only be filed in accordance with OAR 137-047-0740, OAR 137-048-0240, or OAR 137-049-0450, as applicable.

#### **1.10.100 Procedure for surplus property**

(1) Surplus property is personal property owned by the City such as office furniture, computers, equipment, vehicles, excluding real property, that the City Manager determines is surplus and no longer useful to the City. Real property is subject to a different procedure under state law.

(2) The City Manager may authorize the sale, donation, transfer to another government agency, auction, liquidation or fixed price sale, trade-in, or destruction of surplus property. Surplus property may be sold through the informal solicitation of bids or through an auction, including an online auction. The City Manager has the discretion to advertise the sale of surplus property in a newspaper of city-wide circulation or online.

(3) Employees of the City may purchase surplus property, so long as at least three individuals or entities have bid on the property and the employee's bid is the highest bid.

#### **1.10.110 Signature authority**

(1) The purpose of this section is to clarify when the City Manager may bind the City to a purchase of, or a contract for, goods, services (including personal services and construction-related personal services) and public improvements (collectively "Purchases") without additional Board authorization. In order to bind the City to a Purchase, the City Manager must sign a document related to the Purchase. For the purposes of this section, "signing" a document includes a digital signature or authorization.

(2) If the City's adopted budget for a given fiscal year includes or anticipates the Purchase and the cost of the purchase does not exceed \$125,000, the City Manager may bind the City without additional Board authorization. For the purposes of this section, the City Manager may exercise reasonable discretion in determining whether the adopted budget anticipates a Purchase.

(3) For Purchases with a value exceeding \$125,000 or if the City's adopted budget for a given fiscal year does not include or anticipate the Purchase regardless of the dollar amount, the Board must authorize the Purchase in order to bind the City to it.

**Section 2:** Resolution No. 2017-28 is repealed.

**Section 3:** If any provision, section, phrase, or word of this resolution or its application to any circumstance is held invalid, the invalidity does not affect other provisions that can be given effect without the invalid provision or application.

**Section 4:** A scrivener's error in any portion of this resolution may be corrected by the City Manager during codification.

This resolution is adopted by the City Council of the City of Sandy this 3rd day of March, 2025.

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Kathleen Walker, Mayor

ATTEST:

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Jeffrey Aprati, City Recorder



# STAFF REPORT

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**Meeting Type:** City Council  
**Meeting Date:** March 3, 2025  
**From:** Tyler Deems, City Manager  
**Subject:** Resolution 2025-06: Full Faith and Credit Obligation to Fund Water Capital Projects

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**DECISION TO BE MADE:**

Decide whether to authorize the City Manager to enter into a full faith and credit obligation (FFCO) to fund water capital infrastructure projects and refund prior debt financing. The amount of the new debt financing is an amount not to exceed \$21,000,000 plus the cost to refund the prior debt financing currently estimated at \$4,053,000.

**PURPOSE / OBJECTIVE:**

The purpose in obtaining \$21 million in new debt financing is to secure necessary funding to construct planned water infrastructure projects at least through Fiscal Year 2026, as well as refunding the remaining outstanding balance of prior debt funding of approximately \$4,053,000. It is critical that the City has funds on hand to ensure that there are no funding related delays, which would ultimately delay the timely completion of the projects.

The purpose of refunding (essentially refinancing the current outstanding debt and rolling it in to the new debt) is to decrease the total annual debt service obligations, allowing the City to minimize future rate increases.

**BACKGROUND / CONTEXT:**

There are currently several vital capital improvement projects underway related to the City’s drinking water system. These improvements increase the production of our own water supply and reduce the amount of water the City needs to purchase from Portland, as well as increasing overall system resiliency. In addition to these investments, a new transmission line to Portland’s Bull Run Filtration Plant needs to be constructed to ensure that the City has access to water to meet our summer demand. The City Council recently received a comprehensive program update on [November 4, 2024](#).

The City’s average daily demand is 1.33 million gallons per day (MGD) and the maximum demand in 2.59 MGD. While much of this work is needed to ensure reliable capacity, resiliency, and redundancy for our current demands, the projected water demand by 2050 increases to an average daily demand of 2.1 MGD and a maximum demand of 4.2 MGD. Failure to complete the necessary projects in a timely manner could result in water shortages and non-compliance fines.

To complete these immediate capital projects, the City needs to invest \$70 million in the drinking water system, which is comprised of two major projects. To date, \$24.5 million has been secured, with a remaining need of \$45.5 million. Of this remaining need, \$5.5 million is management reserve for unforeseen issues that could arise throughout the constructing process. Staff is not currently looking to fund this amount at this time. Current projections indicate that the City will expend approximately \$21 million over the next two years. Staff is actively working on identifying the best funding package to ensure that future rate increases remain as low as possible. This leaves \$24.5 million that is unfunded, however, this number may decrease as we move forward with bidding projects and getting actual costs.

### Drinking Water Projects

- **Alder Creek Treatment Plant** - The Alder Creek Treatment Plant provides nearly 50% of the City's drinking water and has an overall capital improvement plan of nearly \$21.9 million. The improvements being made will increase the production of the plant from 0.9 MGD to 2.4 MGD. The estimated completion of this work is spring 2027. Even with these investments, the City will be unable to meet our current and projected maximum demand for water. To date, \$17.5 million in funding has been secured in a combination of low interest loans from the State of Oregon via the Oregon Business Development Department (OBDD). The remaining \$4.4 million that is currently unfunded will be explored further as project costs are finalized and bids are received.
- **Pipeline to Portland** - The construction of a new transmission line to Portland Water Bureau's Bull Run Filtration Plant is necessary to ensure that the City has a redundant water supply in the event of any disruption to the Alder Creek Treatment Plant, as well as supplement the Alder Creek Treatment Plant supply to meet the maximum demand, both now and in the future. Access to Bull Run water, as well as the connection to Portland's Columbia wellfield, will also be critical for Sandy in the event of emergencies such as wildfire. This project is anticipated to cost \$42.6 million and has an estimated completion date of September 2027 to ensure compliance with the bilateral compliance agreement. To date, \$7.0 million in funding has been secured through OBDD. These funds are specific to the design and engineering

### Water Fund Debt

- **New Debt** - The vast majority of the \$21 million will be used for constructing the pipeline and related infrastructure for the City's connection to the Portland's Bull Run Filtration Plant. The benefit of obtaining funding prior to construction is that the City will have the cash on hand to move quickly and efficiently with financing the project. This is in contrast to much of our other funding, which is issued on a reimbursement basis after the costs have already been incurred. The flexibility with this new funding also allows the City to pivot more quickly and use these funds for other water related projects, should the need arise. This flexibility is not possible with a reimbursement loan since the specific project is outlined in the loan construction documents.
- **Refunding of Existing Debt** - In April 2013, the City entered into a Safe Drinking Water Revolving Fund Loan Financing contract with the State of Oregon acting by and through the Oregon Infrastructure Finance Authority in the amount of \$7,500,000 of which approximately \$4,053,000 is currently outstanding for the Sandy / Portland Water Bureau Intertie. Refunding this debt will remove \$469,595 in annual debt service payments and extend the repayment period. The benefit of doing this is to lower the total annual debt service payments in an attempt to stabilize future utility rate increase to the further extent possible.

| <b>Project</b>              | <b>Budget</b>       | <b>Funding Source</b>  |
|-----------------------------|---------------------|--|
| Alder Creek Treatment Plant | \$21.9 million      | \$2 million – OBDD (Short Term Improvements)<br>\$9.5 million – OBDD (Treatment Plant Upgrades)<br>\$6 million – OBDD (Conveyance, Storage, and Pumping) |
| Portland to Sandy           | \$42.6 million      | \$7 million – OBDD (Planning and Design)<br>\$21 million – FFCO (Construction)   |
| Program Management Reserve  | \$5.5 million       | n/a  |
| <b>Total</b>                | <b>\$70 million</b> | <b>\$45.5 million</b>  |
| Remaining                   |                     | \$24.5 million (subject to change as project costs are further refined)  |

### **KEY CONSIDERATIONS / ANALYSIS:**

As stated, obtaining \$21 million in new financing will allow the City to continue to move forward in a timely manner to meet our existing project deadlines for both the Alder Creek Treatment Plant and Pipeline to Portland’s Bull Run Filtration Plant. Staff is expected to put the Pipeline project out to bid this spring, and it is imperative that funding is available to start this work as soon as possible.

The term of this FFCO is 20 years, with an estimated interest rate of 5%. This rate does have a bit of a cushion built in (0.5%). The final interest rate will be determined during the time of sale. The debt service would be structured to make interest only payments for the first three years, during the time of construction, at approximately \$1.1 million per year. The following 17 years would be level debt service payments of approximately \$2 million per year.

### **BUDGET IMPACT:**

The City will be required to make annual debt service payments on the new financing. These payments will come from the water fund. The current version of the rate model supports the required debt service payments for the total \$70 million in project costs, however it does not currently reflect this type of loan. FCS Group is currently updating the rate model to reflect this, as well as other factors to ensure that future rate increase are adopted to meet the exact financing needs of the City.

### **RECOMMENDATION:**

Staff recommends that the Council authorize the City Manager to enter into full faith and credit loan not to exceed \$21,000,000 plus an additional amount sufficient to refund certain outstanding obligations, currently estimated at \$4,053,000.

### **SUGGESTED MOTION LANGUAGE:**

“I make a motion that Council votes to authorize the City Manager to enter into full faith and credit loan not to exceed \$21,000,000 plus an additional amount sufficient to refund certain outstanding obligations.”

**LIST OF ATTACHMENTS / EXHIBITS:**

- Resolution 2025-06 – Full Faith and Credit Obligation 2025



## RESOLUTION NO. 2025-06

**A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A FINANCING AGREEMENT(S) AND ESCROW AGREEMENT(S) AND RELATED FULL FAITH AND CREDIT OBLIGATIONS SUBJECT TO ANNUAL APPROPRIATION IN AN AMOUNT NOT TO EXCEED \$21,000,000 TO FINANCE CAPITAL IMPROVEMENTS TO THE CITY'S WATER SYSTEM PLUS AN ADDITIONAL AMOUNT SUFFICIENT TO REFUND CERTAIN OUTSTANDING OBLIGATIONS OF THE CITY; DESIGNATING AN AUTHORIZED REPRESENTATIVE OF THE CITY; DESIGNATING SERVICE PROVIDERS; AND RELATED MATTERS.**

**WHEREAS**, the City of Sandy, Oregon (the "City") is authorized pursuant to the Constitution and laws of the State of Oregon, namely, Oregon Revised Statutes ("ORS") Section 271.390 and the applicable sections of ORS Chapter 287A, and the City Charter to (i) enter into financing agreements payable from the lawfully available funds of the City, subject to annual appropriation, to finance and refinance real and personal property which the City determines is needed, (ii) pledge lawfully available funds of the City and the full faith and credit and taxing power of the City, subject to annual appropriation, in connection with such financing agreements, and (iii) pay the costs of issuance of such financing agreements; and

**WHEREAS**, the City has determined that real and personal property of the City's water system is needed including developing, acquiring, and constructing capital improvements to, and expansion of, the City's water system, related capital projects, and costs of issuance of such financing agreements (collectively, the "New Money Project"); and

**WHEREAS**, on or about April 2, 2013, the City entered into a Safe Drinking Water Revolving Fund Loan Financing Contract No. S13002 (the "S13002 Loan") with the State of Oregon acting by and through the Oregon Infrastructure Finance Authority in the amount of \$7,500,000 of which approximately \$4.1 million is currently outstanding for the Sandy Portland Water Bureau Intertie (the "Refunded Project" together with the New Money Project, the "Projects"); and

**WHEREAS**, the S13002 Loan is subject to prepayment in whole or in part on any business day; and

**WHEREAS**, the City is advised it may be desirable to refund all or a portion of the S13002 Loan to restructure debt service payments; and

**WHEREAS**, the estimated weighted average life of any financing agreement will not exceed the estimated dollar weighted average life of the Projects financed and refinanced; and

**WHEREAS**, on April 1, 2024, the City Council of the City adopted Resolution No. 2024-10 declaring its official intent to reimburse water capital expenditures from the proceeds of a tax-exempt borrowing in the amount not to exceed \$70,000,000; and



**WHEREAS**, the City desires to authorize the execution and delivery of one or more financing agreements, subject to annual appropriation, to finance and refinance the Projects, and related matters.

**NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF SANDY:**

**Section 1. Authorization.** The City Council hereby authorizes:

A. Financing Agreement. The City authorizes the execution and delivery of one or more full faith and credit financing agreements subject to annual appropriation (the "Financing Agreement") in a form satisfactory to the Authorized Representative of the City (defined herein). The aggregate principal amount of the Financing Agreement may not exceed \$21,000,000 to finance the New Money Project, plus an additional amount sufficient to refund the portion of the S13002 Loan being refunded and pay related costs of issuance. The proceeds of the Financing Agreement shall be used to finance and refinance the Projects, which the City hereby determines are needed. The Financing Agreement may be issued as taxable and/or tax-exempt obligations at a true effective interest rate(s) per annum not to exceed five percent (5.00%), as determined by the Authorized Representative, and shall mature on the date(s) set by the Authorized Representative.

B. Method of Sale. As determined by the Authorized Representative, the Financing Agreement may be entered into directly with a lender (a "Private Placement"), or issued as certificates of participation, referred to as full faith and credit obligations, subject to annual appropriation and representing the principal amount of the Financing Agreement, which may be sold to an underwriter by negotiated or competitive sale (a "Public Offering").

C. Private Placement. The Financing Agreement may be evidenced by a note and may be entered into with a lender(s) as determined by the Authorized Representative.

D. Public Offering. The Financing Agreement may be issued through a Public Offering. If the Financing Agreement is issued through a Public Offering, the City authorizes the issuance and sale of certificates of participation, referred to as full faith and credit obligations, subject to annual appropriation (the "Series 2025 Obligations") which shall be issued by an escrow agent (the "Escrow Agent") for and on behalf of the City, representing the principal amount of the Financing Agreement. The Series 2025 Obligations may be issued in one or more series, shall be issued as taxable and/or tax-exempt obligations at a true effective interest rate(s) per annum not to exceed five percent (5.00%), as determined by the Authorized Representative, and shall mature on the date(s) set by the Authorized Representative. The City authorizes the execution and delivery of one or more escrow agreements between the City and the escrow agent (the "Escrow Agreement"), in a form satisfactory to the Authorized Representative, pursuant to which the Escrow Agent shall execute the Series 2025 Obligations representing the

principal amount of a Financing Agreement, and evidencing the right of the Escrow Agent to receive the City's financing payments under a Financing Agreement.

**Section 2. Security.** The Financing Agreement shall be payable from the designated funds which are lawfully available including the general, non-restricted revenues of the City, subject to annual appropriation, and other funds which may be available for that purpose, including taxes levied within the restrictions of Sections 11 and 11b, Article XI of the Constitution of the State of Oregon, subject to annual appropriation. The obligation of the City to make payments under the Financing Agreement shall be secured by all lawfully available funds of the City subject to annual appropriation and shall be a full faith and credit obligation of the City subject to annual appropriation. The Financing Agreement shall not be secured by any real or personal property of the City and a pledge of the City's full faith and credit and taxing power, subject to annual appropriation, does not create a lien on the revenues or property of the City.

**Section 3. Designation of Authorized Representative.** The City hereby authorizes the City Manager, the Finance Director, or the designee of either of those individuals (the "Authorized Representative") to act as the authorized representative on behalf of the City and determine the remaining terms of the Financing Agreement as delegated herein.

**Section 4. Delegation of Final Terms and Additional Documents.** The Authorized Representative is authorized, on behalf of the City, to:

A. determine the method of sale, determine the provisions of the notice of sale if sold at a competitive sale, act upon bids received, negotiate the terms of, and execute and deliver a purchase agreement if sold at a negotiated sale, and negotiate the terms of, and execute and deliver documents if privately placed with a lender;

B. establish the maturity and interest payment dates, dated dates, principal amounts, capitalized interest (if any), optional and/or mandatory redemption provisions, interest rates, draw-down provisions, amortization schedules, covenants, fees, denominations, and all other terms under which the Financing Agreement and Series 2025 Obligations shall be issued, sold, executed, and delivered;

C. negotiate the terms and approve of the Financing Agreement and the Escrow Agreement, if applicable, as the Authorized Representative determines to be in the best interest of the City, and to execute and deliver the Financing Agreement and the Escrow Agreement;

D. deem final, approve of, and authorize the distribution of the preliminary and final Official Statements to prospective purchasers of the Series 2025 Obligations;

E. determine whether the Series 2025 Obligations shall be Book-Entry certificates and to take such actions as are necessary to qualify the Series 2025 Obligations for the Book-Entry System of The Depository Trust Company, including the execution of a Blanket Issuer Letter of Representations;

- F. apply for ratings for the Series 2025 Obligations and determine whether to purchase municipal bond insurance or other credit enhancement, negotiate and enter into agreements with providers of credit providers, and expend proceeds to pay credit enhancement fees;
- G. determine if the Financing Agreement will be issued on a tax-exempt basis and/or taxable basis;
- H. determine if none, all, or a portion of the S13002 Loan is refunded;
- I. designate the Financing Agreement and the Series 2025 Obligations as a “qualified tax-exempt obligation” pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the “Code”) if they qualify for such designation;
- J. approve, execute, and deliver a Tax Certificate for that portion of the Financing Agreement issued on a tax-exempt basis;
- K. approve, execute, and deliver a continuing disclosure certificate pursuant to SEC Rule 15c2-12, as amended (17 CFR Part 240, §240.15c2-12) (the “Continuing Disclosure Certificate”) for the Series 2025 Obligations;
- L. engage the services of lenders, underwriters, escrow agents, municipal advisors, trustees, and any other professionals whose services the Authorized Representative determines are necessary or desirable for the Financing Agreement or Obligations;
- M. determine which fund or funds are available to pay the Financing Agreement;
- N. approve, execute and deliver the Financing Agreement and its terms, a certificate specifying the actions taken pursuant to this Resolution, and any other documents, agreements or certificates that the Authorized Representative determines are necessary and desirable to issue, sell and deliver the Financing Agreement and Series 2025 Obligations in accordance with this Resolution; and
- O. take any other actions which the Authorized Representative determines are necessary or desirable to finance the Projects in accordance with this Resolution.

**Section 5. Conditional Notice of Redemption.** Any notice of optional redemption to the Paying Agent or to the owners may state that the optional redemption is conditional upon receipt by the Paying Agent and/or owners of moneys sufficient to pay the redemption price of such Series 2025 Obligations and/or Financing Agreement or upon the satisfaction of any other condition, and/or that such notice may be rescinded upon the occurrence of any other event, and any conditional notice so given may be rescinded at any time before payment of such redemption price if any such condition so specified is not satisfied or if any such other event occurs. Notice

of such rescission or of the failure of any such condition shall be given by the Paying Agent to the affected owners of Series 2025 Obligations and/or the Financing Agreement as promptly as practicable.

**Section 6. Defeasance of the Series 2025 Obligations.** The City may defease the Series 2025 Obligations by setting aside, with a duly appointed escrow agent, in a special escrow account irrevocably pledged to the payment of the Series 2025 Obligations to be defeased, cash or direct obligations of the United States or obligations the principal of and interest on which are fully and unconditionally guaranteed by the United States in an amount which, in the opinion of an independent certified public accountant, is sufficient without reinvestment to pay all principal and interest on the defeased Series 2025 Obligations until their maturity date or any earlier redemption date. Series 2025 Obligations which have been defeased shall be deemed paid and no longer outstanding, and shall cease to be entitled to any lien, benefit or security under this resolution except the right to receive payment from such special escrow account. The Authorized Representative is authorized to determine the defeasance terms of the Financing Agreement.

**Section 7. Preservation of Tax Exemption for Interest on Financing Agreement.** The City covenants that it will take all actions necessary to prevent interest on a tax-exempt Financing Agreement from being included in gross income for federal income tax purposes, and it will neither take any action nor make or permit any use of proceeds of a tax-exempt Financing Agreement or other funds of the City treated as proceeds of such Financing Agreement at any time during the term of the Financing Agreement which will cause interest on the Financing Agreement to be included in gross income for federal income tax purposes. The City also covenants that it will, to the extent the arbitrage rebate requirement of Section 148 of the Code, is applicable to the Financing Agreement, take all actions necessary to comply (or to be treated as having complied) with that requirement in connection with the Financing Agreement, including the calculation and payment of any penalties that the City has elected to pay as an alternative to calculating rebatable arbitrage, and the payment of any other penalties if required under Section 148 of the Code to prevent interest on the Financing Agreement from being included in gross income for federal income tax purposes.

**Section 8. Appointment of Paying Agent, Escrow Agent, and Registrar.** The Authorized Representative is authorized to appoint an Escrow Agent to serve as paying agent, escrow agent and registrar for the issuance of the Series 2025 Obligations. The Authorized Representative is authorized to negotiate and execute on behalf of the City an agreement with the Escrow Agent. In addition, the City requests and authorized the Escrow Agent to execute any Series 2025 Obligations.

**Section 9. Appointment of Municipal Advisor.** The City appointed Piper Sandler & Co. as municipal advisor to the City for the issuance of the Financing Agreement and Series 2025 Obligations.

**Section 10. Appointment of Underwriter/Placement Agent or Lender.** The Authorized Representative is authorized to appoint an underwriter/placement agent and/or lender for the Financing Agreement.

**Section 11. Appointment of Special Counsel.** The City appoints Foster Garvey P.C. as special counsel to the City for the issuance of the Financing Agreement and the Series 2025 Obligations.

**Section 12. Continuing Disclosure.** The City covenants and agrees to comply with and carry out all of the provisions of the Continuing Disclosure Certificate which may be negotiated with the underwriter. Notwithstanding any other provision of this Resolution, failure by the City to comply with the Continuing Disclosure Certificate will not constitute an event of default; however, any owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Section and the Continuing Disclosure Certificate.

**Section 13. Preliminary and Final Official Statement.** The City may prepare or cause to be prepared a preliminary official statement for the Series 2025 Obligations which shall be available for distribution to prospective purchasers. In addition, an official statement may be prepared and shall be ready for delivery to the purchasers of the Series 2025 Obligations no later than the seventh (7th) business day after the sale of the Series 2025 Obligations. When the City determines that the final official statement does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements contained in the official statement not misleading in the light of the circumstances under which they are made, the Authorized Representative is authorized to certify the accuracy of the official statement on behalf of the City.

**Section 14. Closing of the Financing Agreement.** The Authorized Representative is authorized to negotiate the terms and conditions of a term sheet or commitment letter in the case of a Private Placement or a purchase agreement in the case of a Public Offering. The Authorized Representative is authorized to execute the term sheet, commitment letter, and/or the purchase agreement, as the case may be, for and on behalf of the City and to execute such additional documents, including a Tax Certificate, and to perform any and all other things or acts necessary for the sale and delivery of the Financing Agreement and Series 2025 Obligations as herein authorized. Such acts of the Authorized Representative are for and on behalf of and are authorized by the City Council.

**Section 15. Resolution to Constitute Contract.** In consideration of the purchase and acceptance of any or all of the Financing Agreement or Series 2025 Obligations by those who shall own the same from time to time (the "Owners"), the provisions of this Resolution shall be part of the contract of the City with the Owners and shall be deemed to be and shall constitute a contract between the City and the Owners. The covenants, pledges, representations and warranties contained in this Resolution or in the closing documents executed in connection with the Financing Agreement or Series 2025 Obligations and the other covenants and agreements herein set forth to be performed by or on behalf of the City shall be contracts for the equal benefit,

protection and security of the Owners, all of which shall be of equal rank without preference, priority or distinction of any of such Financing Agreement and Series 2025 Obligations over any other thereof, except as expressly provided in or pursuant to this Resolution.

**Section 16. Post-Issuance Compliance Procedures.** The Authorized Representative is authorized to prepare procedures regarding post issuance compliance related to obligations of the City.

**Section 17. Effective Date.** This Resolution shall take effect on the date of its adoption.

This resolution is adopted by the City Council of the City of Sandy, Oregon, this 3rd day of March 2025.

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Kathleen Walker, Mayor

ATTEST:

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Jeffrey Aprati, City Recorder