

NEWBERG CITY COUNCIL MINUTES
REGULAR SESSION
August 15, 2016, 7:00 PM
PUBLIC SAFETY BUILDING (401 E. THIRD STREET)

A work session was held at 6:00 p.m. preceding the meeting. Present were Mayor Bob Andrews, Councilors Lesley Woodruff, Denise Bacon, Mike Corey, Scott Essin, Patrick Johnson and Stephen McKinney. Also present were City Manager Joe Hannan, City Attorney Truman Stone, City Recorder Sue Ryan, Community Development Director Doug Rux, Human Resources Director Anna Lee and IT Systems Analyst Joseph Falbey. Also present was Sheryl Kelsh, Executive Director of the Chehalem Valley Chamber of Commerce.

Mayor Andrews called the meeting to order. He showed a picture of an iconic church in Poysdorf given to the Mayor by the City's Sister City, Poysdorf, Austria.

Community Development Director Rux presented the next steps for the Newberg Strategic Tourism Plan. He introduced Holly McAfee and Jon-Paul Bowles, consultants, who worked on the Tourism Strategy, which had been brought to the Council in June. The Strategy included five goals, list of partnerships, and next steps. The City would be the pass through for the Transient Lodging Tax funds. A Tourism Director would be hired, and a Tourism Board would be created. The first steps would be establishing the protocols for the Tourism Board and hiring a Tourism Director. A work plan would need to be created from the Tourism Strategy and discussions on how the Visitors Center would be run. There would also be an annual meeting with the Tourism Board and City Council and discussions regarding a grant program to help with tourism events. The second step would be reviewing all of the current marketing information, coordinating the tourism groups and marketing to speak with one message, and assessing the operations and impacts of the Visitors Center. The third step would be to make decisions on a budget and management of the budget and aligning with regional partners' tourism efforts. He explained the destination development and destination marketing projects that needed to be done.

Councilor Corey asked to whom the Tourism Director position would be responsible. Mr. Bowles said the Director would report to the Tourism Board and the City Council and would be paid through the TLT fund. The position would be hired by the Tourism Board and it would be a five year position. Ms. McAfee said the formation of the Tourism Board in no way took away from the work of the Chamber, and they could contract with the Chamber to do marketing. The Tourism Director would work to leverage the TLT funds for destination development.

Councilor Essin asked what the advantages were for the City to not have control and put it in the hands of a private corporation. Mr. Bowles said it was the industry expertise that would help guide the funds to have the highest return on investment. A lot of connections would be established in the organization that would encourage the private sector to talk to each other and increased collaboration. The Chamber would be one of the Board members and there would be overlap of the functions of this Board and the Chamber and there were functions that the Board would do that the Chamber was not doing currently.

Councilor Bacon asked who would pick the Tourism Board members. Mr. Bowles said that was up to the Council. Councilor Bacon wanted to see at least one non-tourism citizen member on the Board. She asked about the set up as a pass-through for the TLT and the legal obligation for the funds. City Attorney Stone did have concerns. If the City had control, they could make sure the funds were in compliance with State statutes, but he thought it would work if there was a contract with the Tourism Board stating how the funds could be spent. He wanted to see more details.

Councilor Johnson was concerned about the TLT money not going through a public process. He said his main concerns were transparency, public records, and public trust for how tax dollars were used. The tax needed to be spent appropriately and there needed to be public outreach. He would like to see some sort of mechanism that would involve an appeal process.

Councilor McKinney also had concerns about monitoring an additional body. The Council was ultimately responsible for the distribution of the funds and if people were not happy then they would litigate it. He said the Chamber Board had recently relocated outside of the city core and there would be a future negotiation of the City's contract with the Chamber. The Chamber had been a good working partner with the City. He saw this as creating additional disconnects rather than tying things together in a neater package. The TLT would provide an extraordinary amount of money in the next few years. He also had concerns about the Director position and how the position would be hired, the contract, and duration of

the contract. He also was concerned about a City Councilor sitting as an ex-officio position on the Board instead of a full member position.

Councilor Corey agreed with Councilor Bacon that they needed to ensure that local residents felt like this was not just a destination city but it was part of the local community and was concerned about the pass through of funds. He asked about the City being left in a legal obligation if there were questions about how the TLT funds were spent. CA Stone said the City could have a contract with a separate entity and in the contract the entity would agree to spend the funds in a legal, permissible manner and if they didn't, the entity would be responsible and the City could cancel the contract. Councilor Bacon shared her experience as a board member to be legally and financially responsible for the board's decision on misuse of funds and why she was more comfortable with a contract versus a hybrid model. Councilor Essin wanted to hear from the Chamber Director on this issue.

CDD Rux explained the future steps included additional feedback and discussion before the Council made any decisions. Mr. Bowles said they were recommending a process that included conversations such as this, addressing concerns, and making recommendations before anything was adopted.

Councilor McKinney thought the Council should create time to let Sheryl from the Chamber present her report and discuss these issues.

Mayor Andrews said part of Step 1 was the establishment of the tourism protocols for the possibility of creating an independent Tourism Board. Staff and consultants should take note of the concerns raised by the City Council.

Sheryl Kelsh, Executive Director of the Chehalem Valley Chamber of Commerce, presented on the Chamber's fourth quarter report. The Chamber had relocated its offices to Portland Road due to the rent increase of their previous location. She thought the new location would be a good home for the Chamber. Her goal was to bring the Chamber back downtown when it was viable. She discussed the mission of the Chamber, tourism revenue, tourism related jobs, destination marketing, limited funding for tourism from the Transient Lodging Tax, Visitors Center contract and funding, and highlights of visitors served, promotional materials created, use of media, conventions, and events. They received a grant to create hospitality training. She then discussed Visitor Center services, managing collateral, staff education, and financial oversight. She thought the City and Chamber had a good partnership and would like to continue the partnership. Ms. Kelsh felt they needed to be concerned about the highest and best use of funds and was unsure about creating a separate organization and whether it would be efficient and in the City's best interest.

Councilor Bacon thanked her for the training the Chamber had done. She asked how she would feel about taking suggestions from another board that was tourism related. Ms. Kelsh thought that model would work. Councilor Essin asked if there was another way to accomplish the same thing without giving up tax dollars to another entity. The majority of the money would be going into major projects and the Council wanted to be more involved. He asked if a Tourism Committee could be set up that was not a separate entity. Ms. Kelsh thought it could as they would make recommendations to the Council and Chamber. Councilor McKinney wanted to make sure they were not working against each other and utilizing resources to maximize the effort and not creating an additional layer of government.

CALL MEETING TO ORDER

The Mayor called the business session to order at 7:35 p.m.

ROLL CALL

Members Present:	Mayor Bob Andrews	Scott Essin	Stephen McKinney
	Lesley Woodruff	Mike Corey	Denise Bacon
	Patrick Johnson		
Staff Present:	Joe Hannan, City Manager	Truman Stone, City Attorney	
	Sue Ryan, City Recorder	Doug Rux, Community Development Director	

PLEDGE OF ALLEGIANCE: The Pledge of Allegiance was performed.

CITY MANAGER'S REPORT: City Manager Hannan reported on current activities across the City over the last two weeks including the Sister City delegation visit, work on environmental impacts and moving the Oregon Clinic for the

Bypass, meetings with employees, and City Managers meeting. CDD Rux said staff had been working with West Rock for opportunities on their site. The City would be receiving a Transportation Growth Management Grant to redo the Riverfront Plan and were hoping West Rock would participate in the process. Mayor Andrews asked about the amount of the grant. CDD Rux said it could be more than \$200,000, but it could vary.

PUBLIC COMMENTS: Pat Haight, resident of Newberg, discussed concerns regarding the Southern Pacific Railroad tracks in town and how they could create problems for emergency responses. She asked if the City had a relationship with the Railroad to ask if some streets could be improved. She thought it was a safety issue. She complained about street conditions under Yamhill County's road management and about crosswalks in town not being safe because there were not enough of them. She complained about staff not being in their offices when citizens called. Mayor Andrews said there was a difficult relationship with the Railroad and they were unresponsive to the City.

CONSENT CALENDAR:

MOTION: Corey/Bacon moved to approve the Consent Calendar, including minutes from July 18, 2016 ; an OLCC Full On-Premises Sales license for Ichi Sushi & Grill House LLC dba Ichi Sushi; Resolution 2016-3331, A Resolution adding Terrence "Terry Mahr" to the list of pro-tem judges approved previously by Council Resolution No. 2010-2891. Motion carried (7 Yes/ 0 No).

PUBLIC HEARING: Ordinance 2016-2806:

Mayor Andrews opened the hearing and called for any abstentions or conflicts of interest on the part of the Council or any objections to the Council's jurisdiction. There was none.

CA Stone gave the staff report. The City had been looking at including vacation rentals by owner, bed and breakfasts, and other alternative housing in the Transient Lodging Tax. The City's ordinance had to be modified to make it clearer what was exempted from the TLT and to bring the Code current with State law. The exemptions included occupancy in a hospital, health care facility, long term care facility, or other residential facility licensed or registered by the Department of Human Services or Oregon Health Authority; drug and alcohol treatment or mental health treatment facilities; temporary or emergency shelters; and Federal government facilities. Language would be added to exclude vacation rentals that were rented for less than 15 days per calendar year and the rental was not advertised for rent or listed with an agent as a rental. A definition was added for agent, travel intermediary, and more was added to the definition of hotel. There was an emergency clause in order to make the changes effective immediately. A letter was sent to all the hotels and vacation rentals by owner letting them know about these changes. Some travel intermediaries paid the TLT, but the City just received a check not an explanation of where the people were staying. They also received money from lifestyle properties. There was a list of those not currently paying the TLT, but they could be paying through the travel intermediaries. He read an excerpt from the League of Oregon Cities *Local Focus* magazine article on this issue. Some of the suggestions from the article were that the list of taxable lodging providers should be uniform, exempting vacation rentals that rent less than 30 days per calendar year, and making the travel intermediaries as the tax collectors.

Councilor Bacon said she noticed George Fox University was exempt but that in the summertime rented out blocks of rooms for events. City Attorney Stone said there was an exemption for non-profit, youth, and church camps, conference centers, and other qualifying non-profit facilities. This was pre-existing in the Code and not part of the discussion.

Proponents: None.

Opponents: None.

Mayor Andrews closed the hearing. He asked for closing items from staff and a final recommendation.

CA Stone recommended adoption of the ordinance as it provided clarification to exemptions.

MOTION: Essin/Bacon moved to waive the second reading of Ordinance 2016-2806. Motion carried (6 Yes/ 1 No [McKinney]).

Councilor Essin asked if they needed the emergency clause. City Attorney Stone said it was up to the Council.

MOTION: Essin/Bacon moved to adopt Ordinance 2016-2806, An Ordinance amending the Newberg Municipal Code regarding the Transient Lodging Tax hotel definition, clarifying exemptions, and declaring an emergency to be read by title only. Motion carried (7 Yes/ 0 No).

NEW BUSINESS: Resolution 2016-3306:

CDD Rux gave the staff report. In 2012 the Newberg Affordable Housing Trust Fund was established. In 2015 the policies and procedures were updated and in 2016 the Affordable Housing Commission began to discuss a grant or micro loan program for repairs to manufactured home structures as well as partnering with Habitat for Humanity. After some discussion, the loan idea was dropped and the Commission was recommending a grant program. He explained the changes that were being proposed, establishing a new program for manufactured home rehabilitation and repair and allocation of funds. Renters or home owners could take advantage of the program and it was for low to very low income. Some matching funds were required and a need for the repair had to be demonstrated. There was just over \$64,000 available in the fund to use for this program and a supplemental budget would need to be done.

Councilor Johnson asked about the process for those who wanted to use the program. CDD Rux explained the Commission would create the grant application form for individuals and for non-profits. The grants could be requested at any time. The application would go to the Commission and the Commission would make a recommendation to the Council and the Council would decide whether or not to approve it. There was already a list of people who were in need of assistance.

MOTION: Johnson/Corey moved to adopt Resolution 2016-3306, A Resolution amending policies and procedures for administration of the City of Newberg's Affordable Housing Trust Fund. Motion carried (7 Yes/ 0 No).

Resolution 2016-3327:

CDD Rux gave the staff report. He said this was an Intergovernmental Agreement between the City and Council of Governments to provide some administrative services and loan processing for the Economic Development Revolving Loan Fund. The fund was created in 1984 and was revised in 1988 and went to the Council of Governments for administration in 1995. They did loan packaging and closing, monitoring of existing loans, and provided technical assistance and reporting. There was \$2,500 in the budget for this fiscal year for these services. It helped staff administer this loan program and staff recommended approval.

Mayor Andrews asked about the outstanding loans under the program. CDD Rux said the debt service for the two loans was current and one had been settled. CA Stone confirmed the judgment was paid.

MOTION: McKinney/Johnson moved to adopt Resolution 2016-3327, A Resolution approving an Intergovernmental Agreement between the City of Newberg and Mid-Willamette Valley Council of Governments for Economic Development Revolving Loan Fund services. Motion carried (7 Yes/ 0 No).

Resolution 2016-3328:

CDD Rux gave the staff report. He said this was an Intergovernmental Agreement between the City and the Council of Governments for administration of the Affordable Housing Trust Fund. He pointed out a scrivener's error in the staff report. This was done on an as-needed basis and \$3,000 had been budgeted for the service. Staff recommended adoption of the resolution.

MOTION: Corey/McKinney moved to approve Resolution 2016-3328, A Resolution approving an intergovernmental agreement between the City of Newberg and Mid-Willamette Valley Council of Governments for Affordable Housing Trust Fund services. Motion carried (7 Yes/ 0 No).

COUNCIL BUSINESS:

City Recorder Ryan gave an update on the City Council elections. There were three potential candidates so far. Paperwork was due by August 17. The Traffic Safety Committee needs a student member.

Mayor Andrews was working on a process for proclamations. There was consensus to move forward with a process. There was a discussion on the parking for the City/County Dinner in Dundee.

Mayor Andrews asked about the issue previously raised regarding not smoking on City property. CA Stone said he researched whether or not the Council had taken action on this previously, but he could not find anything. There were some cities that had City wide smoking bans on all public property. There were some employees that smoked, and if there was a ban on all City property it might implicate some union contracts. If the Council wanted to move forward with a ban, it would have to be further researched. CM Hannan said the issue was behind City Hall where there was a picnic table and people were smoking there. If there was a change in working conditions, they would have to go back and bargain it with the union. There was discussion on how far a ban on City parks went that was passed several years before. CA Stone would look into the issue further.

Councilor Essin discussed the City's Emergency Operations Plan, which was supposed to be updated in 2015. In the plan it called for groups to have an interim plan in the case of an earthquake. He was going to be working on an interim plan with his Homeowners Association in the Greens that could then be a model for other groups. CM Hannan said this issue would be brought back to a Work Session in January.

Mayor Andrews reported on the Wadayma Junior High delegates who brought gifts for the Council. He passed the cookies around. Councilor Bacon announced the International Day of Peace on the 16th. She reported on the poverty simulation. There would be another simulation on October 29. City Attorney Stone gave a report on a conference he attended on real estate and land law. Mayor Andrews gave a report on the Oregon Mayor's Conference.

ADJOURNMENT: The meeting was adjourned at 9:35 p.m.

ADOPTED by the Newberg City Council this 19th day of September, 2016.



Sue Ryan, City Recorder

ATTESTED by the Mayor this 20th day of September, 2016.



Bob Andrews, Mayor