

**NEWBERG CITY COUNCIL MINUTES  
REGULAR SESSION  
SEPTEMBER 6, 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, Assistant to the City Manager Dawn Karen Bevill, Support Services Manager Mary Newell, Police Chief Brian Casey, Finance Director Matt Zook, Human Resources Director Anna Lee, City Engineer Kaaren Hofmann and Prosecutor Jeanne Schuback.

Mayor Andrews called the meeting to order. He asked for items under Council Business. Some items dealing with Finance were added and future activities of the City under Elections.

City Manager Hannan reported on the City's 9-1-1 Dispatch Center. He said the Police Chief and Tualatin Valley Fire & Rescue (TVF&R) were also present as this issue might affect them in the future as it dealt with communications. Technology was changing and the radio system would need to be upgraded as well as the backup system and infrastructure. The cost to participate in the new system was affordable with the money the City expected and had currently budgeted for operations, but they did not have the funds for system improvements. Not many cities had their own dispatch center and he was looking at whether they could maintain it. There were alternatives, such as switching to Yamhill County's system. It would cost \$4 million to \$4.9 million for the improvements. One reason for keeping the dispatch center was the personalized service provided to residents. The City's current system was the same system used by most of the State. When there was a disaster and the City had to call for resources to come in to help, the majority of those entities would be on the same system making communication easier. He asked if Council wanted to look at other options including contracting with Yamhill County or Washington County Consolidated Communications Agency (WCCCA). He explained the current funding for the Dispatch Center. Money had been set aside for radio upgrades, which was moving to a digital system instead of analog and he explained reductions that could be made to lower the \$4.9 million estimate.

Councilor McKinney asked about the number of consoles in the quote. CM Hannan said the upgrade ranged from \$4 million to \$4.9 million. Support Services Manager Mary Newell said they currently had three full consoles and two people were on at all times. The quote included an optional fourth console.

Councilor Corey asked about contracting with WCCCA. CM Hannan explained WCCCA currently maintained the City's radios, but it was a different decision to contract with them for dispatch services. The quote shown in the work session materials was from 2011 but they could get updated numbers. Councilor Corey said current expenses were \$1.2 million but under the contract with WCCCA it would be \$600,000. If they went to WCCCA they would save money. CM Hannan said the part missing was that some services that were provided would not go over to WCCCA, such as the records system. He could come back with a revised quote if the Council wanted staff to look at the differences in operation with another contractor. Councilor Corey wanted to see the numbers. He favored saving money for the taxpayers by going with WCCCA. Police Chief Casey explained how police officers accessed records through dispatch and how a different contractor would not be able to do that. If the Dispatch Center was eliminated, two or three additional records clerks would have to be hired to provide the data entry services that dispatch was doing now.

Councilor Johnson asked about the number of calls between Fire and Police that were received at dispatch and who was paying for fire services calls. SSM Newell explained fire calls were 12-15% of the total calls and the bulk were police related. CM Hannan said they paid WCCCA a certain amount per radio. SSM Newell said they paid a per radio cost of \$430 and the police department had 83 radios. There were a number of other radios out there that were not paid for by Newberg as they were for mutual aid. Councilor McKinney asked if there was resale value of the radios the City currently had and what were the add-on costs for a contract. CM Hannan said upgrading the system would allow the City to go digital. If they upgraded, they would get the added features automatically. He did not know about the resale value of the equipment. Councilor Essin asked if the new radios would work during an event such as the Cascadia earthquake. Would the City be better off with their current equipment or contracting it out? Chief Casey said he was not sure if the new radios would work, but thought there was a better chance if they had their own dispatch center as it added a layer of redundancy rather than only being a part of WCCCA.

There was discussion regarding disaster scenario planning.

CM Hannan confirmed the Council wanted a quote from WCCCA and the consequences and cost savings of switching to a contract. He was not hearing the Council indicate they wanted to go to Yamhill County for further research. He would also look into resale value and describing what redundancy meant. Mayor Andrews asked about partnering with other cities for dispatch services. Chief Casey said financially it was not feasible to dispatch other cities out Newberg's Dispatch Center. CM Hannan said staff could ask about partnering with other cities for the system upgrades. SSM Newell explained the regional dispatch consolidations and where they were located.

Councilor Johnson asked if the procedure for calls for the Fire Department would change if the contract with TVF&R became permanent. SSM Newell did not think there would be any changes. Councilor McKinney asked if WCCCA was the core of the regionalization concept. CM Hannan said yes, they were the logical entity to contract with for providing the services. Councilor Essin asked what the \$4 million would purchase. CM Hannan said it was for a simulcast system as well as the radios. Mayor Andrews asked if they were required to upgrade the radios. Chief Casey said there was no mandate for it, but the primary reason was because the analog system was becoming obsolete and everyone was transitioning to the digital operating system.

### **CALL MEETING TO ORDER**

The Mayor called the business session to order at 7:00 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 DawnKaren Bevill, Assistant to the City Manager  
Leah Griffith, Library Director Kaaren Hofmann, City Engineer  
Jay Harris, Public Works Director Matt Zook, Finance Director  
Jeanne Schuback, Prosecutor

**PLEDGE OF ALLEGIANCE:** The Pledge of Allegiance was performed.

Mayor Andrews shared news of a former City Councilor, Bob Larson, who had passed away in August. There was a moment of silence in remembrance of Mr. Larson.

**PRESENTATIONS:** Mayor Andrews presented a letter of recognition to the Family Life Church for their recent community service.

**PROCLAMATIONS:** Mayor Andrews proclaimed September 9, 2016, to April 29, 2017, as the year of the 125<sup>th</sup> anniversary of George Fox University. There was a brief recess while cake was served. President Chris Baker gave some history on the connection between the Friends residents who had moved into the valley and the City of Newberg that came later. He explained the history of the University and its location in Newberg.

**CITY MANAGER'S REPORT:** City Manager Hannan reported on current activities across the City. He announced Jay Harris participated in the Hood to Coast race. There had been an outreach meeting with the Greens and outreach to a Methodist men's group. He had worked with the Downtown Economic Development group, attended meetings with the Downtown Coalition, announced new businesses opening, did employee visits, and met with many people in the community. He had worked on putting together an Affordable Housing Symposium, worked on the entrepreneur accelerator service, State Trade Act, Love, Inc. partnership for emergency preparedness, new cell tower provider to extend Wi-Fi to the School District, State Lands controversy with Gramor Development regarding the creek on the site, and hiring of the Community Engagement position.

**APPOINTMENTS:** Library Board:

**MOTION:** Bacon/Corey moved to approve the appointment of Paul Headley to Position #4 on the Library Board for a term of September 2016 to June 30, 2018. Motion carried (7 Yes/ 0 No).

**PUBLIC COMMENTS:** Judy Durkee, resident of Newberg, spoke about concerns she had about the permit process for accessory dwelling units, particularly with an application for a dwelling unit going in across the street from her. She did not think it was a fair and equal process. It was not clear what was planned for the dwelling unit and it was confusing to the applicant when he could start the work. The staff report did not note the size of the unit and that it was over the maximum allowed by the Code. During the staff presentation, it was noted that the unit was larger. Also during the presentation, four letters in favor of the application was discussed, but not the letters against. She did not think the presentation was impartial and those against the application were not given equal time to speak as the applicant. The cost to appeal was prohibitive. She was not appealing the decision but felt the process was not fair and equal.

Damon Talbot and Suzanne Miller, residents of Newberg, spoke about the Newberg Peace Coalition. They announced the Acts of Kindness Day and Peace March on September 21.

**CONSENT CALENDAR:**

**MOTION:** Corey/Woodruff moved to approve the Consent Calendar, including Resolution 2016-3336, A Resolution authorizing the City Manager to approve the purchase of two replacement vehicles for the Newberg-Dundee Police Department. Motion carried (7 Yes/ 0 No).

**PUBLIC HEARING:** Ordinance 2016-2808:

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. He said there was an ongoing effort to remove obsolete portions of the Code. The Police Chief indicated there was a time the Department was registering bicycles locally, but when a national bicycle registration program became available it was more efficient and had better coverage. The City stopped taking local registrations three years ago. The ordinance would repeal the provision directing the Police Department to maintain a local registration. The ordinance was not published a week ahead of the meeting, and would have to come back to Council for a second reading or he would have to read the entire ordinance into the record. He recommended adoption of the ordinance.

Proponents: None.

Opponents: None.

Mayor Andrews closed the hearing.

Deliberations:

Mayor Andrews called for the first reading only of Ordinance 2016-2808 and the second reading would be held on September 19, 2016.

**NEW BUSINESS:** Reuse System Discussion:

City Engineer Hofmann presented information on the City's reuse system. The original purpose of evaluating and constructing the non-potable water system was to reduce demand for potable water usage for irrigation and other non-drinking water needs. Murray Smith & Associates was hired to review the Water Master Plan and looked at the non-potable water system. The non-potable system consisted of Otis Springs and Class A recycled water produced at the Wastewater Treatment Plant. Otis Springs provided water to the golf course in the spring and fall and was the back up if the recycled system went down during the peak summer months. The system did not need to be run to meet the DEQ discharge permit requirements. She explained the requirements for using reuse water, including posting signs that recycled water was being used and not to drink it. She explained where the existing system was located. Some pipes were currently not hooked up in the north end of town. The cost of the system was \$7 million and the final payment on the loan that was taken out would be paid in 2028. Currently funds from the Wastewater SDCs, Water SDCs, and water rates paid the loan. Rates for the non-potable system paid for the operation and maintenance costs and a portion of the capital construction costs. The non-potable rate was set to decrease in 2017. The current rate would cover 6% of the total debt and 22% of the

water portion of the debt and other water users were paying the cost for the system. The City had capacity to provide water for build out in the 20-year planning horizon.

CE Hofmann was asking Council to give direction on whether or not to look at expanding the non-potable system. The options were: to continue to operate as was done currently, a northerly expansion of Otis Springs, or a full expansion of the non-potable system. There was little potential for industrial customers at this time and the top irrigation users were the best potential to increase the use of the system. There were 31 sites in the City that used more than 450,000 gallons of irrigation water per year. Currently there was no requirement for property owners to connect to the non-potable system. If a change was made to require irrigation customers to hook up, extensive revisions of their sites would need to be done. For the first option of making no changes, the estimated irrigation revenues for 2017 were \$574,000 per year and the rates would continue to pay for the loan. For the second option of expanding Otis Springs, three segments of pipe would need to be constructed, which would cost \$3.7 million. If the customers in that location hooked up, the City would lose revenues of up to \$86,000. This expansion was not needed until the Gramor site or the Springbrook Master Plan was constructed. For the third option of full expansion of the system, three pipe segments would need to be constructed to form a loop and the cost would be \$10.5 million. There would be a loss of revenue of almost \$250,000 per year if irrigation customers hooked up to the system. One alternative for this option was utilizing the existing line through the CPRD site. The estimated cost was \$1.2 million less than the \$10.5 million. To implement any option, the capital projects would need to be included in the City's Water Master Plan and Wastewater Maser Plan and the rates would have to be modified to include the projects.

There was discussion regarding new customers and what their rates would be.

Councilor Essin asked if any new water permits were coming up in 2017. CE Hofmann was not aware of any. She explained that the wastewater discharge permit was expired and they were waiting to hear from the State what the new discharge permit would be. The City was working on its Water Master Plan and would be working on its Water Conservation Plan next year as required by State. She then discussed the wastewater discharge permit process. As part of the Wastewater Master Plan update, staff would be looking at whether a wastewater line down Springbrook was needed.

Councilor Johnson asked how important a non-potable water system would be to the City's economic development efforts. CM Hannan thought it could be important, but they didn't know what kinds of businesses would want the non-potable water. He discussed what kinds of uses might be interested in this option. Councilor Johnson clarified the City had one customer for the system right now. Did the City have a contract with that customer? CE Hofmann said the City did not.

Councilor McKinney asked about the third option and how much cost would be recouped from new customers. CE Hofmann said the costs could be mitigated by new users. Most of the new users would be in the Riverfront Master Plan and West Rock area. There was not much vacant land that could use it within the existing UGB. Schools and parks were on the list of the top irrigation users. A lot of the existing agricultural uses had their own wells or were already hooked up to the City's water system. If the non-potable system was expanded and everyone was hooked up to it, they would use 1.2 gallons per day and could reduce what was used out of the potable system. That would require a Code change to require people to hook up to the system and there was a significant capital cost to use the non-potable system. There was not a need currently. She could run the numbers for loss of revenue per portion of the system.

Councilor Essin asked who would build the system, the City or the users. CE Hofmann replied it would be a combination of the developer and the City.

Robert Soppe, Newberg, discussed reuse system funding. He thought who would pay for the system was an important issue that had not been addressed. Putting off this question was not wise as it was crucial to deciding which path to follow. The other important question was who the expansion would benefit. Expanding the system would create a reduction in revenue and the non-potable water had lower rates than potable. It was inappropriate to require other users to fund the infrastructure that provided the lower rates to non-potable users. Potable water users and future development should not be the primary funding sources for an expansion that primarily benefitted the users of that expansion who would be non-potable users. Looking at the history of the reuse system, the reuse system was never authorized to be constructed, it was not funded as originally planned, and the only customer had been dissatisfied with the rate structure until their rate was lowered earlier this year. The non-users of the reuse system who provided the majority of the funding did not receive a reduction in their share of the expense. While there were some benefits to the potable water and wastewater systems users,

the benefits were far less than the benefits to the non-potable water users. It was not premature to discuss who would be paying for the expansion. He suggested moving forward with the first option until the funding assumptions could be provided. The losses of revenue in the second and third options were far less than the costs of the options. He was concerned more about the expense of the expansions than the loss of revenue. He submitted comments earlier in the day to Council (Exhibit A).

Mayor Andrews said they were not taking action on this item tonight. This was for information only.

CE Hofmann asked for direction on which option the Council wanted staff to research and put in the Water Master Plan. Staff recommended moving forward with the second option. That option provided for expansion of the non-potable system with the least amount of up-front costs and loss of revenue. It also provided for continued use of the recycled system for the golf course and any possible future users and potentially reduced the peak summer time potable water demand. The consensus was the Council was not prepared to make a decision on this item tonight.

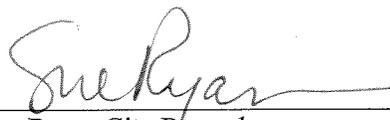
**COUNCIL BUSINESS:**

Mayor Andrews followed up on an earlier discussion about no smoking on City property. The City Attorney found that no decision had been made on the issue, only testimony was taken, and he asked if the Council wanted to pursue the issue further. The consensus was not to pursue the issue at this time.

Mayor Andrews announced the members of the Long Range Financial Planning Committee and their first meeting on September 8. There would be a discussion October 13 with the Faith Based Community on how to partner with the City for emergency preparedness. For city elections, all three City Council candidates' petitions for office had been validated.

**ADJOURNMENT:** The meeting adjourned at 8:52 p.m.

**ADOPTED** by the Newberg City Council this 3rd day of October, 2016.

  
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Sue Ryan, City Recorder

**ATTESTED** by the Mayor this 4th day of October, 2016.

  
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Bob Andrews, Mayor