

CITY OF NEWBERG CITY COUNCIL MINUTES
JUNE 15, 2009
7:00 P.M. MEETING
PUBLIC SAFETY BUILDING TRAINING ROOM
401 EAST THIRD STREET

Work Session was held prior to the meeting. An update from planning on the development fee waiver was given and a report was given by the Traffic Safety Commission concerning the golf cart ordinance. No decisions were made.

I. CALL MEETING TO ORDER

Mayor Bob Andrews called the meeting to order at 7:00 PM.

II. ROLL CALL

Members

Present: Mayor Bob Andrews Denise Bacon Bob Larson
 Stephen McKinney Bart Rierson Marc Shelton
 Wade Witherspoon

Staff

Present: Daniel Danicic, City Manager Terrence Mahr, City Attorney
 Barton Brierley, Planning and Building Director Norma Alley, City Recorder
 Howard Hamilton, Public Works Director Jennifer Nelson, Recording Secretary
 Janelle Nordyke, Interim Finance Director

Others

Present: Sharon Bjorn, Mike McCullough, Mart Storm, Mike Hanks, Robert Soppe

III. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was performed.

IV. CITY MANAGER'S REPORT

Mr. Daniel Danicic, City Manager, discussed revisions and updates to the City website and those planning to attend the City/County Dinner.

V. PUBLIC COMMENTS

None.

VI. CONSENT CALENDAR

1. Consider a motion approving **Resolution No. 2009-2850** authorizing the city manger to enter into a contract with GVS Contracting, Inc. for the construction of the Columbia Drive Local Improvement District Project in the amount of \$153,873.90.
2. Consider a motion approving **Resolution No. 2009-2854** amend the Collective Bargaining Agreement pertaining to compensation between the City and the Newberg-Dundee Public Safety Association.

3. Consider a motion approving **Resolution No. 2009-2855** approving the 2009 annual evaluation of the city manager.
4. Consider a motion approving **Resolution No. 2009-2856** authorizing the City to purchase property located at 1409 South Sandoz Road from Baker Rock Resources.

This item was removed from the Consent Calendar and placed under New Business.

5. Consider a motion approving a sound permit for the Chamber's summer concert series.

MOTION: Larson/Shelton to approve the Consent Calendar as amended including **Resolution No. 2009-2850, Resolution No. 2009-2854, Resolution No. 2009-2855**, and a motion approving a sound permit for the Chamber's summer concert series. (7 Yes/0 No) Motion carried.

VIII. NEW BUSINESS

1. Consider a motion approving **Resolution No. 2009-2852** approving adjusted garbage and recycling serve rates for the Newberg Garbage Services, Inc., effective July 1, 2009.

TIME – 7:10 PM

Mr. Mike McCullough, Newberg Garbage & Recycling Service Consultant, and Ms. Sharon Bjorn, Newberg Garbage & Recycling Service Controller, presented the staff report and rate increase justifications (see official meeting packet for full report).

Councilor Marc Shelton asked about the increases, the difference from the original quote, and if these increases would be expected again at the next bi-annual review.

Ms. Bjorn stated the increases were due to the price of the new co-mingled recycling program and general cost of business increases that total 18%; she noted corrections were made to the previous quote to reflect this. She did not believe these same increases would be needed in 2011 because they should not need to be purchasing more equipment; however, the increases are dependant on the market.

Mr. McCullough further explained the solid waste and recycle industry experienced the largest negative fluctuation in revenue and this is to cover the general cost of running the business with the new operating costs including the latest technology with the new recycle program.

Councilor Bart Rierson asked about glass recycling not currently being available curbside and how to recycle compact fluorescent light bulbs conveniently.

Ms. Bjorn explained that glass is currently not available because it contaminates the co-mingled recycling process.

Mr. McCullough mentioned a program at a college that is working on replacing their lighting and looking for what to do with the left over fluorescent bulbs. He is unaware of a successful large scale recycling program for fluorescent bulbs; they would need to research this and return with information.

Councilor Larson asked why the garbage rates in Newberg is so much higher than the other surrounding communities.

Ms. Bjorn explained that McMinnville does not have a yard and debris program, Bend does not have a recycling program, and although Dundee does they are also due to catch up their rates in a short period of time, which will be close to the same as Newberg.

Mayor Andrews asked about some discrepancies with the general increase being 4.23% in one area and 3.5% in another. Staff noted the corrections would reflect a 4.23% increase.

MOTION: Rierson/Shelton to approve **Resolution No. 2009-2852** approving adjusted garbage and recycling serve rates for the Newberg Garbage Services, Inc., effective July 1, 2009. (7 Yes/0 No) Motion carried.

2. Consider a motion approving **Resolution No. 2009-2853** providing for a reduction of fees for certain qualifying affordable housing homes during the current recession.

TIME – 7:45 PM

Mr. Barton Brierley, Planning and Building Director, presented the staff report (see official meeting packet for full report).

Mayor Andrews opened the floor to public testimony.

Mr. Mart Storm thanked the Council for considering the proposal for thanked staff for putting it together. He was concerned with how a property would be established as low income vs. moderate income and if it would be based on the price or the income of the purchaser. He was also concerned about implementation of this program and whether they have to wait until occupancy or be required to have a permit before selling. He also wondered if calculations would be based on the federal housing program, which offers subsidized loans up to \$249K, or on the \$229K average set by the Coyote Homes proposal. He felt the same break given to Coyote Homes should also be offered to others because limiting others to only 10 houses when Coyote was allowed to build on 75 homes was not being equitable to all.

Mr. Mike Hanks stated he was partners with Mr. Storm and he agreed with his concerns.

Mr. Robert Soppe stated he was not opposed to the concept, but how it was proposed. He supports affordable housing but did not feel it should be considered revenue neutral and wondered how delaying the collection of funds for the City was justified. He felt System Development Charges (SDCs) create a fair system where growth pays for the cost of growth and by reducing or delaying the funds received for this purpose the City still has to identify a funding source that will replace the fees lost, since the costs for providing water, sewer, and public safety will not go away.

Mr. Brierley was given time to answer some of the questions posed by the public testimony. He stated the burden is placed on the developer to demonstrate the house is affordable, either by the selling price or by the income of the purchasers qualifying below the HUD guidelines for moderate or low income. The builder would need to convince him that it is an affordable project to qualify for this program. He emphasized the Coyote Homes deal was based on special circumstances that are not generally applicable to all development as they submitted all their permit applications in 2007; he did not feel it would be wise to enact the same fee reductions for any other projects. He noted the unit total of fee reductions for low income homes in Orchard Lair is \$3,700 vs. \$2,800 for this program, which is not that far off. He

also addressed the concerns for reducing or delaying funds from SDCs which is why they placed a cap at 10 units, to limit the City's exposure.

Councilor Rierson felt that based on the benefits to the City and community the Coyote Homes agreement cannot be compared to every other application and the same discount cannot be expected; however, this proposal is a good way to help fund other affordable housing projects.

Councilor Larson asked staff how they would monitor the requirement to have 75% of the labor and material coming from Newberg business sources. Staff replied when they had to demonstrate the project qualifies as affordable they would also need to show where they are intending to get the products and labor from; the numbers would have to reflect how much is intended to be spent locally. Tracking would occur through permits issued.

Councilor Shelton spoke of treating businesses with equity by giving them the same information and being transparent. He spoke of this being a way to stimulate the local economy just as the federal stimulus program is doing; money will be lost in order to provide affordable homes and keep people working. He did not feel the same offer to Coyote Homes can be offered to all but it is important to provide affordable housing and help builders to do that in this market.

MOTION: McKinney/Larson to approve **Resolution No. 2009-2853** providing for a reduction of fees for certain qualifying affordable housing homes during the current recession.

MOTION: Andrews/Rierson to amend **Resolution No. 2009-2853** by adding to the resolves to report semi-annually to Council about the progress of the program. (7 Yes/0 No) Motion carried.

Councilor Rierson supported this as a way to help provide affordable housing and offer more benefits to the community.

Councilor Denise Bacon said asking a builder to build affordably is like asking them to take a big pay cut; this is a way for the City to offer to share those costs to provide homes for everyone.

Councilor Wade Witherspoon felt there is an ethical obligation to those who were pulling permits in 2007. He wished to make sure that any builders with similar criteria as Coyote Homes are given the same opportunity to find a creative way of financing and receive the same special deal they were given.

MOTION: Shelton/Rierson to amend **Resolution No. 2009-2853** authorizing the Director to grant a reduction, equivalent to that approved under Resolution No. 2009-2839 for single-family dwelling permits submitted in 2007, providing similar or equivalent affordable housing for low or moderate income families.

Mr. Storm made arguments that other builders, including himself, would not have pulled more permits than they could afford to build and sell in that year especially when they did not know there would have been a possibility of reducing those fees. If they had known, they may have made the decision to pull more since they could have afforded it at the reduced cost.

Mr. Hanks added they are sensitive to this because their development is right next to the Orchard Lair development and they feel they can also provide houses affordably. They would like the same opportunity to construct as many as they can at the same SDC rate to compete with their product.

Mayor Andrews asked if they would be seeking mitigation from CPRD and the school district as well.

Mr. Storm replied they would only if they had enough units that met these criteria for fee reduction, then they would ask the school district to give the same and was unaware of how CPRD would address the Orchard Lair project.

Mayor Andrews recessed at 8:54 PM and reconvened at 9:07 PM.

Councilor Stephen McKinney said he was reluctant to support the amendment because he felt it was too broad and would like to wait for the builders to bring forth each proposal.

VOTE: To amend **Resolution No. 2009-2853** authorizing the Director to grant similar reductions to others providing equivalent affordable housing with permits submitted in 2007. (6 Yes/0 No/1 Abstain [McKinney]) Motion carried.

VOTE: To approve **Resolution No. 2009-2853** as amended. (7 Yes/0 No) Motion carried.

VII. PUBLIC HEARING

1. Consider a motion approving **Resolution No. 2009-2851** approving a hardship water connection at 832 South Springbrook Road.

TIME – 9:17 PM

Mayor Andrews called for any conflicts of interest or abstentions. None were stated.

Mr. Howard Hamilton, Public Works Director, presented the staff report (see official meeting packet for full report).

Councilor Rierson was concerned for the owners being responsible for paying the 150% rate for being outside of the City rather than 100%, since it is not their fault they were forced into paying for City water.

Mayor Andrews felt the consistency with the outside of City rate should be incorporated in the recitals. Staff referred to page 48 conditions of hardship agreeing to full cost of extending and meeting all standards and including all development charges, but with no specification to the 1.5 rate.

The public testimony was opened and closed. Staff recommended approval. The hearing was closed.

MOTION: **Shelton/Larson** to approve **Resolution No. 2009-2851** approving a hardship water connection at 832 South Springbrook Road including an amendment to the resolves that the rate shall be the same as out of city services rate, which is presently 1.5 times the in-city rate. (7 Yes/0 No) Motion carried.

2. Consider a motion approving **Ordinance No. 2009-2717** creating an Old Fashioned Festival Zone and allowing only merchants and vendors associated with the festival within the zone.

TIME – 9:40 PM

Mayor Andrews called for any conflicts of interest or abstentions. None were stated.

Mr. Brierley presented the staff report (see official meeting packet for full report).

Discussions followed as to the definition of a temporary merchant or street vendor and what other possible situations, such as kids selling lemonade or homeowners having a yard sale, would not fall under this definition.

Mayor Andrews opened and closed public testimony. Staff recommended approval. The public hearing was closed.

MOTION: Larson/Andrews to approve **Ordinance No. 2009-2717** creating an Old Fashioned Festival Zone and allowing only merchants and vendors associated with the festival within the zone, read by title only. (7 Yes/0 No) Motion carried.

VIII. NEW BUSINESS

3. Consider a motion approving **Resolution No. 2009-2856** authorizing the City to purchase property located at 1409 South Sandoz Road from Baker Rock Resources.

TIME – 9:55 PM

Mr. Mahr presented the staff report (see official meeting packet for full report).

MOTION: Larson/Shelton to approve **Resolution No. 2009-2856** authorizing the City to purchase property located at 1409 South Sandoz Road from Baker Rock Resources. (7 Yes/0 No) Motion carried.

IX. COUNCIL BUSINESS

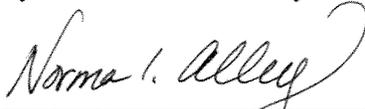
TIME – 10:12 PM

Mayor Andrews mentioned the League of Oregon Cities (LOC) conference in October and polled the Council for those planning to attend.

X. ADJOURNMENT

The meeting adjourned at 10:26 PM.

ADOPTED by the Newberg City Council this 20th day of July, 2009.



Norma I. Alley, City Recorder

ATTEST by the Mayor this 23rd day of July, 2009.



Bob Andrews, Mayor