

**CITY OF NEWBERG CITY COUNCIL MINUTES  
APRIL 19, 2010  
7:00 P.M. MEETING  
PUBLIC SAFETY BUILDING TRAINING ROOM  
401 EAST THIRD STREET**

A Work Session was held prior to the meeting. A presentation was given by the Library Director on Library Conference. 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	Stephen McKinney
	Bart Rierson	Marc Shelton	Wade Witherspoon

Staff

Present:	Daniel Danicic, City Manager	Terrence Mahr, City Attorney
	Barton Brierley, Planning and Building Director	Jennifer Nelson, Recording Secretary
	Howard Hamilton, Public Works Director	

Others

Present: Pat Haight

**III. PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was performed.

**IV. CITY MANAGER'S REPORT**

Mr. Daniel Danicic, City Manager, passed out the Mid-Willamette Valley Council of Governments (MWVCOG) 2009 Annual Report; reported he and the Mayor are to attend a Chehalem Valley Chamber of Commerce event to interview County Commissioner candidates tomorrow; gave a reminder about the Council's Habitat for Humanity project this Saturday, April 24, 2010 at 8:45 AM on Main Street; said he will be attending a Public Works Association annual conference next week from April 28<sup>th</sup> -30<sup>th</sup> and giving a presentation on sustainability; announced the Fire Department's Pancake Breakfast will be held on May 2, 2010 from 6:30 AM to 1:00 PM; said the draft budget has been prepared and distributed with the first Budget Committee meeting scheduled for April 27<sup>th</sup> including a Town Hall Meeting; and he praised the Fire Department, Police, and Public Works for successfully handling two major events last week

**V. PUBLIC COMMENTS**

Ms. Pat Haight spoke about the Council's important decision tonight to increase rates for debt service and why she felt citizens do not attend the council meetings. She told the Councilors she felt they have forgotten they do not work for the City of Newberg but for its citizens, telling them they are to be here for the people, not the bureaucrats. She asked them to remember it is the people who put them into their positions, not City Hall and she said it will be the people who will be devastated if these increases go into effect.

**VIII. NEW BUSINESS**

Consider a motion approving **Resolution No. 2010-2895** accepting the resignation of Councilor Bob Larson and declaring the Council District No. 6 position vacant.

TIME – 7:01 PM

This item heard out of agenda order.

Mr. Terrence Mahr, City Attorney, presented the staff report noting amendments to the effective date of the resolution from April 20, 2010 to April 19, 2010 so the position will be considered vacant during this meeting.

**MOTION: McKinney/Shelton** to approve **Resolution No. 2010-2895** accepting the resignation of Councilor Bob Larson and declaring the Council District No. 6 position vacant with the amendment to make the effective date immediate to this date of April 19, 2010. (6 Yes/0 No/1 Vacant) Motion carried.

## VI. CONSENT CALENDAR

1. Consider a motion approving a **Resolution No. 2010-2893** authorizing the city manager to enter into a contract with The Saunders Company for the construction of the 2<sup>nd</sup> Street Improvement Project.
2. Consider a motion approving a **Proclamation** declaring April 18-24, 2010, as National Volunteer Week.
3. Consider a motion approving a **Sound Permit** for the Chehalem Valley Chamber of Commerce Tunes on Tuesday to be held July and August.

**MOTION: Shelton/Witherspoon** approving the Consent Calendar including **Resolution No. 2010-2893** authorizing the city manager to enter into a contract with The Saunders Company for the construction of the 2<sup>nd</sup> Street Improvement Project, a Proclamation declaring April 18-24, 2010, as National Volunteer Week, and a Sound Permit for the Chehalem Valley Chamber of Commerce Tunes on Tuesday to be held July and August. (6 Yes/0 No/1 Vacant) Motion carried.

## VII. PUBLIC HEARING

3. Consider a motion approving **Resolution No. 2010-2887** adopting new Stormwater Rates effective July 1, 2010.

TIME – 7:18 PM

Mayor Andrews asked staff if there have been any additional communications before deliberations begin this evening. Staff replied additional information has been including in the Council packet along with a recap of the town hall meeting questions and the utility rate assistance program adopted last year; items have also been posted on the website and in public venues. Mayor Andrews called for any abstentions and/or conflicts of interest before continuing the hearing; none appeared.

Mr. Howard Hamilton, Public Works Director and Ms. Janelle Nordyke, Finance Director, presented the final staff report (see official meeting packet for full report).

Councilor Marc Shelton asked about the rate chart going to 1990 and when the new water treatment plant went online, the typical life expectancy for a plant, and what the legal ramifications were if the necessary improvements were put off. Staff replied the new plant started in 1989 with an intended lifetime of twenty years, which the current plant has surpassed; the mechanical components that run the system have only a five year life span and have been maintained, refurbished, and replaced over the years. Improvements are needed to

meet current capacity and the legal ramifications for overflow into the environment could start with fines and penalties from the Oregon Department of Environmental Quality (DEQ) on up to an environmental law suit against the City. The upgrades are projected to carry the facility to 2040 as DEQ requires at least a twenty year plan.

Mayor Andrews asked for approximate costs for the fines are and the penalties for non-payment. Staff replied the fines start at \$250.00 and increase based on a complex matrix depending of several factors. The City Attorney was unsure of an exact appeal procedure but warned the Council the City's permit to operate the plant could be revoked if fines go unpaid.

Discussions followed about the history of rate increases from 1990 and that they flat-lined until 2002. The previous Councils serving during those years just would not increase the rates allowing the burden of the decision to be determined now, almost a generation later. Also, up until 2002 stormwater was funded out of the transportation program.

Councilor Bart Rierson stated his major concerns were with the possible environmental law suit and asked staff to estimate the possible costs. Staff replied the City of Eugene recently faced this kind of suit; they chose not to go to court and settle for around \$100,000.00.

Councilor Stephen McKinney spoke of the importance of the City being able to perform through bonds and the need to keep up with its debts to remain in good, lendable standings; he asked staff to speak of the risks. Staff replied being out of compliance with debtors runs the risk of them requesting immediate payoff and the City's bond rating can also decrease if a debt is allowed to go into default. The higher the bond rating, the better the interest percentage as well, which saves the City money.

Discussions continued about the City being on the list for stimulus funds such as the Economic Recovery Zone Bonds and Clean Water State Revolving Fund Bonds which could possibly be applied in the current fiscal year to lower the cost of the capital improvement programs and possibly lower rates in the future. However, prior to receiving the bonds, the City has to have the rate structure in place to cover current debt repayment. The City cannot acquire additional debt until it can prove it is fiscally prudent at that time; if the funds are received the rates can be reduced in response.

Councilor Shelton asked for clarification of the most expensive construction needs going to wastewater. Staff spoke of the lines needing to be replaced and expanding the plant, as well as the costs of refurbishing or reprocessing parts over the next twenty years to meet the current capacity. Projects can be delayed if population increases do not occur, but improvements are still required to meet current process needs; expansion for capacity needs would not be necessary until the population increase dictates it and System Development Charges (SDCs) would fund that future capacity increase.

Mayor Andrews clarified the Repair, Renovation, and Expansion (RR&E) debt is to maintain and support what the community is today; future expansion would be based on future growth and paid for by the SDCs acquired from that growth.

Councilor Shelton asked for more information on building reserves to help support utility assistance programs for those people having difficulty meeting the obligations of their bills with the rate increases. Staff replied \$7,000.00 is currently set aside for all utility assistance (including military credits) through Yamhill Community Action Partnership (YCAP), Love, INC. (In the Name of Christ), and three other churches; additional education could also be provided to help consumers reduce their bills by reducing their consumption, such as by detecting and repairing leaks.

Councilor Witherspoon asked if there were any other suggestions for how to assist others in addition to what is currently being done.

Councilor Rierson suggested working funds into the budget proposal for providing audits and recommendations to reduce utility consumption, rebates for installing low flush toilets and shower heads, to provide toilet replacement kits through The United Way for about \$100.00 or for flush valve toilet repair kits for \$10.00, and/or a percentage increase from \$7,000.00 to \$8,500.00 towards the utility assistance program.

Councilor McKinney agreed with establishing a mechanism to assist those having trouble paying their utility bills, but spoke of that burden still being placed on the taxpayers to provide the money to do this; he called for everyone to be creative without creating an additional burden.

Discussions continued about how the monies were currently distributed through the utility assistance program and what it would look like if the Council considered phasing or staggering the rate increases for one or all of the three utilities. Staff and Council members were concerned about taking this direction because this is not what the Citizens' Rate Review Committee (CRRC) was charged to do and their recommendations may have been quite different if they thought Council would be considering implementing them incrementally. Suggestions were also entertained about charging higher rates for above average usage to fund the utility assistance program; staff noted concerns for low income families with several family members, which may result in above average water usage and would be counterproductive.

**MOTION: Shelton/Rierson approving Resolution No. 2010-2887 adopting new Stormwater Rates effective July 1, 2010.**

Councilor Wade Witherspoon wished to consider a step system to push out the water and stormwater increases to January, wastewater increases by half now and half in January since it is most critical.

Councilor Rierson felt the CRRC was asked to do a lot of work and if they thought they would be doing the increases in steps they may have recommended a higher amount. He felt the resolution should be adopted as recommended by the CRRC.

Councilor McKinney also found it difficult to support putting off the increases in steps because it would just be keeping everyone away from the ultimate goal.

Councilor Shelton appreciated the suggestion for considering a step program but preferred to rely on the expertise of the CRRC and the consultants. He did not wish to back away from what needed to be done because of pressure from the public, because that is what had been done two years ago and the problems will just continue to become greater.

Councilor Denise Bacon supported the increase as long as staff returned with suggestions for the assistance program.

Mayor Andrews also supported the rate increase as long as a better working assistance program is in place; he said rates have been put off for too long and he did not wish to put it off to the next generation.

Councilor Shelton mentioned a minor typographical correction on page 67 to show the effective date as July 1, 2010 rather than 1010.

**VOTE: To approve Resolution No. 2010-2887 adopting new Stormwater Rates effective July 1, 2010 as corrected. (6 Yes/0 No/1 Vacant) Motion carried.**

1. Consider a motion approving **Resolution No. 2010-2885** adopting new Water Rates effective July 1, 2010.

**MOTION: Shelton/McKinney** approving **Resolution No. 2010-2885** adopting new Water Rates effective July 1, 2010.

Mayor Andrews spoke of the double edge sword concerning water conservation because the citizens gain on one side by conserving water and reducing their bills, but the City also suffers less revenue when less water is used. He asked staff to gather examples from surrounding cities to address creating a reserve package to buffer the dip in rates because of increased conservation efforts.

Councilor Shelton spoke more of water being wasted because of infrastructure problems rather than carelessness and how consumers having problems paying their bills will be reluctant or unable to put money into repairs. He expressed concerns for targeting those with the ability to pay changing the dynamics of the community; he reminded everyone there are wasters and conservationists in every income bracket.

Councilor Bacon suggested consumers may not know their usage is high if they cannot compare their bills to others.

Councilor McKinney agreed it was not the Council's business to stigmatize or categorize the citizens but he is in favor of a valuable assistance goal of better usage.

Councilor Rierson suggested publishing average water use in homes based on the number in the household as well as a graduated water rate system based on the family size for every income level of users to give an incentive to save.

Councilor Witherspoon wished to hear from staff about other cities that have created incentive programs and how they dealt with varying income levels.

**VOTE: To approve Resolution No. 2010-2885** adopting new Water Rates effective July 1, 2010. (6 Yes/0 No/1 Vacant) Motion carried.

2. Consider a motion approving **Resolution No. 2010-2886** adopting new Wastewater Rates effective July 1, 2010.

**MOTION: Shelton/Witherspoon** approving **Resolution No. 2010-2886** adopting new Wastewater Rates effective July 1, 2010.

Councilor Rierson wished to uphold the CRRC recommendations because of possible loans based on an appropriate funding mechanism and the risks associated with not doing the needed improvements.

Councilor McKinney agreed it was in the City's best interest to approve the rate increases as a package so Newberg does not dig itself further into a hole.

Councilor Shelton concurred and thought the stimulus dollars and grants could be a step towards working things out; he said the CRRC could come back with changes if the funding is received.

**VOTE: To approve Resolution No. 2010-2886** adopting new Wastewater Rates effective July 1, 2010. (6 Yes/0 No/1 Vacant) Motion carried.

Mayor Andrews recessed at 8:57 PM.

4. Consider a motion approving **Order No. 2010-0023** approving a request for an existing non-conforming billboard sign, owned by CBS Outdoor, Inc., to remain at the Newberg Auto Electric site at 616 W. First Street, and reversing the hearings officer's decision.

TIME – 9:06 PM

Mayor Andrews called for any conflicts of interest, abstentions, or ex parte contact; none appeared.

Mr. Barton Brierley, Planning and Building Director, presented the staff report and recommended adoption including the findings in exhibit A and correspondence from CBS Outdoor, Inc. in exhibit B (see official meeting packet for full report).

Councilor Shelton asked for clarification as to ownership of the property being different from the ownership of the sign. Staff stated sign regulations are not concerned with ownership changes; it does not matter who owns the sign or the property.

**MOTION: Rierson/Witherspoon** approving **Order No. 2010-0023** approving a request for an existing non-conforming billboard sign, owned by CBS Outdoor, Inc., to remain at the Newberg Auto Electric site at 616 W. First Street, and reversing the hearings officer's decision. (6 Yes/0 No/1 Vacant) Motion carried.

## IX. COUNCIL BUSINESS

TIME – 9:13 PM

Council discussed and clarified their directions to staff concerning what to bring back to them in terms of recommendations for increasing the utility assistance program and implementing it before the new utility rates are applied.

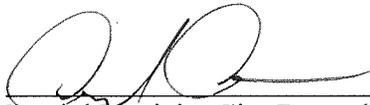
**MOTION: Rierson/Shelton** directing staff to return to Council within the next two meetings to recommend ways to raise funding to further increase the Utility Assistance Program based on the perceived needs. (6 Yes/0 No/1 Vacant) Motion carried.

Mr. Danicic said a discussion would take place concerning the implementation of a daytime curfew on June 21, 2010.

## X. ADJOURNMENT

The meeting adjourned at 10:09 PM.

**ADOPTED** by the Newberg City Council this 17<sup>th</sup> day of May, 2010.

  
Daniel Danicic, City Recorder

**ATTEST** by the Mayor this 19<sup>th</sup> day of May, 2010.

  
Bob Andrews, Mayor