

CITY OF NEWBERG COUNCIL MINUTES
JANUARY 17, 2012
7:00 P.M. MEETING
PUBLIC SAFETY BUILDING TRAINING ROOM (401 EAST THIRD STREET)

A work session was held prior to the meeting. An Executive Session pursuant to ORS 192.660(2)(i) relating to performance review of the municipal judge was held. All Councilors and the Mayor were present; no action was taken and no decisions were made.

I. CALL MEETING TO ORDER

Mayor Bob Andrews called the meeting to order at 7:02 PM.

II. ROLL CALL

Members

Present:	Mayor Bob Andrews	Denise Bacon	Ryan Howard	Stephen McKinney
	Bart Rierson	Marc Shelton		

Members

Absent: Wade Witherspoon (excused)

Staff

Present:	Daniel Danicic, City Manager	Norma I. Alley, City Recorder
	Dain Eichel, Interim Public Works Director	Jennifer Nelson, Minutes Recorder

Others

Present: Steve Jacquith

III. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was performed.

IV. CITY MANAGER'S REPORT

Mr. Daniel Danicic, City Manager, reported the City of Newberg now officially owns the School Street property; the Citizens' Rate Review Committee (CRRC) will be meeting at City Hall tomorrow night to receive final recommendations from staff for utility rate increases; there will also be a Cultural District Plaza meeting at the library at 6:30 PM tomorrow; the Chehalem Valley Chamber of Commerce is organizing a congressional candidates session on January 26, 2012, at 8:30 AM; and staff is following the weather as it has been a busy day for police and fire with snow, now high winds, and heavy rain advisories.

V. PUBLIC COMMENTS

Mr. Steve Jacquith said he was representing Rock Point Church, interested neighbors and customers of the Oliver Springs water system. They have not heard any updates in last year or so and they would like to hear what is being done in regard to plans for ongoing maintenance and further development for the springs and water provision for the northern area. He said the water quality, particularly the silt condition, has not improved in the last twenty-five years and has actually seemed to regress in the last couple of years. When they fill the baptismal tank they can see silt and residue leftover and the water pressure is over one hundred pounds per square inch at their elevation, which tends to blow the valves in the urinals and such. He understands in recent years the City has welcomed input and consideration for turning the springs systems over to private companies; he proposed that be pursued farther. He felt north Newberg would be served better through a private company.

Councilor Ryan Howard said since he is newer to the Council and just learning more about the situation he is meeting with the city attorney tomorrow to discuss details.

Councilor Stephen McKinney asked what the City's responsibility is towards Oliver Springs. Mr. Danicic said the City owns, operates, and supplies properties to the east of College Street on the springs line. In regards to water quality changes, the only thing they do is provide chlorine, so the sediment is part of the system and they do not treat this like City water. Council discussed the question of ownership more than a year ago and an analysis report was given; however, with staff turnovers, they have not been able to fully proceed with coming back with final proposals. There are options to abandon the water rights and turn the system over to a private company, but there are significant ramifications and new regulations from the Department of Environmental Quality (DEQ) regarding lead and copper for water quality and concerns for how to best address that. The liability for turning the springs over is unknown.

Councilor McKinney asked how close the neighborhood is in proximity to the City water line. Mr. Danicic explained the location and said they looked into how many could be served and approximately two-thirds could be with a few that are higher in elevation the City could not serve; there is a question of costs to do this economically in the long run. Councilor McKinney asked if North Valley Friends Church is across the street on the City line or the springs; staff replied they are on Oliver Springs. Mr. Jacquith added they were on a well in the past, but it was difficult. Mr. Danicic added he seemed to recall ¾ inch service there. Councilor McKinney asked if they are being charged one and a half times the rate. Mr. Danicic replied a higher percentage is actually paid; when it was first brought to CRRC a three to four times rate increase was elected by Council to be phased in over time.

Councilor McKinney asked if the Church was inside or outside of the City as well as the new subdivision to south. Staff replied the church is outside and the subdivision is on the east side of College Street to the south of the church and it is on City water.

Councilor Marc Shelton asked if this information would be covered in the new budget cycle. Staff stated there has been a line item in the capital project line for a potential project; there is already some maintenance for distribution and the springs' box; staff visits daily to treat and monitor using chlorine tablets. Mr. Dain Eichel, Interim Public Works Director, added 0.75 Full-time equivalent (FTE) is provided for someone to be up there all the time.

Councilor McKinney asked if the neighborhood would be better served by being on the City water system for water quality issues and if they might compromise with the neighborhood about what would be better for these people in the short and long run. Mr. Danicic replied this is subjective as some people like the taste of the spring water and do not like City water, but they also are having to boil the water with events like our current weather up to three to four times a winter; so this is up to the individual, but it would be better to be on our City system for maintaining quality. Councilor McKinney asked if they choose to keep and maintain the system does it cost citizens more money than just speeding up the process to get them on a City line; he asked what was best financially, regardless of the taste. Mr. Danicic replied this is part of discussions he will have with Council regarding the budget.

VI. CONSENT CALENDAR

Consider a motion approving the December 19, 2011, City Council meetings.

MOTION: **Rierson/Shelton** approving the City Council minutes from December 19, 2011, as amended. Motion carried (6 Yes/0 No/1 Absent [Witherspoon]).

VII. CONTINUED BUSINESS

Consider a motion denying **Ordinance No. 2011-2737** amending the Newberg Municipal Code pertaining to technical specifications and signature requirements for partition and subdivision plats.

TIME – 7:18 PM

Mr. Danicic provided a staff report and stated the intent of this motion is to close out 2011 action items only and is not the intent for Council to approve a motion denying this ordinance due to any merit of the ordinance. Staff will continue to research the questions that came up during the July 5, 2011, deliberations and will return with a new ordinance addressing those questions and concerns at a later date.

MOTION: Shelton/Bacon denying Ordinance No. 2011-2737 . Motion carried (6 Yes/0 No/1 Absent [Witherspoon]).

VIII. NEW BUSINESS

Discussion on City of Newberg Budget for Fiscal Year 2012-2013.

TIME – 7:20 PM

Mr. Danicic presented the staff report (see official meeting record for full report).

Councilor Shelton asked if we will see an increase in the Transient Lodging Tax (TLT) over what was forecasted. Mr. Danicic replied as figures come in they are guessing it may be slightly above, especially with positive feedback coming from The Allison about significant events coming up. Councilor Shelton asked if there are other services discussed with department heads that can be contracted, other than dispatch. Mr. Danicic said he spoke with Mr. Barton Brierley, Planning and Building Director, about this and the billing department, but there is not much more that can be contracted out of the General Fund. He said they have to think of the essential or core functions of local government, like municipal court, police, fire, dispatch, library, and planning and break it down to what level of service you wish to provide there.

Councilor Bart Rierson suggested exploring the TLT for additional revenue.

Councilor McKinney suggested additional public safety fees to mitigate the three million dollar gap between property taxes gathered and actual expenses. He felt the last two elections have shown police, fire, and the library to be core functions. He also spoke of raising the 9% fixed water rate to something more realistic since there are things that will cost money for the system no matter what usage is and as they have done away with so many capital improvement projects when they will catch up to the things the federal and state governments say we cannot put off any farther. The 911 dispatch center has provided great infrastructure and the center works well; he thought a discussion should be held to see if contracting may be more expensive in the long run. He noted the department heads have done a phenomenal job with the extra responsibilities and spoke of preparing for when things do turn around and get better.

Councilor Howard gave deference to the city manager on the side of reducing costs and asked him to continue with the options and feedback. He suggested looking at changing the public safety fee and exploring alternative temporary local options. He spoke of the Oregon Department of Transportation (ODOT) spending drops on Capital Improvement Projects (CIP) as stimulus spending begins to decline saying the City must look at ways to support itself in terms of transportation and maintenance. He discussed finding a way to fund the transportation system per household or on a property tax basis to be assessed and incorporated into the budget on a continued basis, especially since the revenue from the gas tax decreases with conservation and more efficient cars.

Councilor Shelton spoke about the difference between core functions and core values, because they value a lot of what is being done, but have to concentrate on core functions when times are lean. He said they need to be prepared with the Budget Committee in the area of employee benefits; there is value in taking care of employees, but if citizens are not seeing this in the private sector it needs to be evaluated. He compared core functions to what is needed to keep the wheels on the bus and added they are beyond the days of budgeting a wish list because this is the bottom and they need to look at the minimum maintenance efforts.

Mayor Andrews said the core functions need to be defined as well as what the service levels will be. He spoke about riverfront planning relating to the build-out of phase 1 of the bypass and not having an active program for sustainable building practices for existing operations and facilities. He asked about the civic engagement program and staff replied there is not much other than what is being done already; it is not fully defined other than the desire to do something. Mayor spoke about uncoupling the business licenses from the TLT and asked about collection and distribution; staff had not prepared to report, but will address it later. Mayor asked what they would face at the end of three years if they look at a levy or connecting to the Washington County Consolidated Communications Agency (WCCCA) for dispatch; staff replied they would be looking at the same questions of how to fund the program. Mayor asked about the number of properties exempt from taxes and how to collect for public safety expenses from those not otherwise paying; staff replied approximately 20% of the properties are tax exempt, but there are legal matters with segregating a class of customers in that manner.

Councilor Shelton wondered if they could discuss economic development as a possible core function of the Chamber of Commerce rather than the City.

Councilor Denise Bacon asked if they ever solved the issue of those business license renewals that were not being paid. Ms. Janelle Nordyke, Finance Director, replied the bulk of the licenses are renewed in December, so they sent out a notice for renewal in December and they are collecting revenue as we speak. There was a big push for licenses when they were first installed with an annual renewal to occur in December. There are a few that may have received their licenses at other times in the year and they would renew each year in the month they received the initial license. Councilor Howard asked about setting a single date for renewals and just set the others pro rata. Staff replied the automated changes to do this would off set the profits realized.

Council reviewed the core function list already prepared by the city manager on page 22 of his presentation and noted it would be a good starting point for the discussions on service levels.

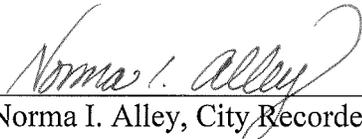
IX. COUNCIL BUSINESS

Councilor Rierson discussed the fire at the McKern House with Fire Chief Less Hallman.

X. ADJOURNMENT

The meeting adjourned at 8:11 PM.

ADOPTED by the Newberg City Council this 21st day of February, 2012.



Norma I. Alley, City Recorder

ATTEST by the Mayor this 23rd day of February, 2012.



Bob Andrews, Mayor