

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

A work session was held at 6:00 p.m. preceding the meeting. A general discussion occurred. 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 7:01 PM.

**II. ROLL CALL**

Members

Present:	Mayor Bob Andrews	Denise Bacon	Bart Rierson	Marc Shelton
	Wade Witherspoon	Ryan Howard	Stephen McKinney (arrived at 6:05 PM)	

Staff

Present:	Daniel Danicic, City Manager	Terrence Mahr, City Attorney
	Barton Brierley, Planning and Building Director	Norma I. Alley, City Recorder
	Russ Thomas, PW Maintenance Superintendent	Jennifer Nelson, Deputy City Recorder
	David Beam, Economic Development Planner	

Others

Present: Robert Soppe

**III. PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was performed.

**IV. CITY MANAGER'S REPORT**

Mr. Daniel Danicic, City Manager, offered a reminder that the Budget Committee will meet tomorrow, May 8, 2012, at 7:00 PM here in the Public Safety Building (PSB). He announced he and the Mayor will be presenting an overview of the current status of the City at the City Club meeting next Tuesday, May 15, 2012. The Chehalem Cultural Center offered the position of Executive Director to an applicant from Santa Fe. He reminded everyone that Election Day is Tuesday, May 15, 2012, and to remember to vote.

**V. PUBLIC COMMENTS**

Mr. Robert Soppe discussed the City Council meeting expectations, specifically item #4 "to honor and act on all requests for action and/or information in a timely and courteous manner" and his concerns about items he brought forth at both the February 21 and March 5, 2012, Council meetings that he had not received responses after an email from the City Recorder in March 6, 2012, that his questions had been forwarded. He said he continues to wait patiently for a response and wondered if Council felt over two months fit within a timely and courteous time period.

Councilor Marc Shelton stated he did respond to questions from him and wondered if he was looking for the answers to be given to him individually or as a whole. Councilor Shelton continued by stating he responded to questions about the Urban Growth Boundary and the Southeast Industrial area. Mr. Soppe replied he will look at those, but he was not finding them. Councilor Shelton added that individuals did respond, and to say in

public testimony that there was no response is incorrect.. Mr. Soppe replied he had not received responses to the questions he is discussing from those dates.

Councilor Bart Rierson said he remembered having some questions prior to this and asked if the questions were directed to him specifically. Mr. Soppe replied he had a list of unanswered questions that is very long now, so he is not sure. Councilor Rierson stated he may have missed something if it was directed to him. He agreed this was not a reasonable time and if he did not follow-up on something he apologized. Mr. Soppe said he is just giving them a reminder that it is not happening.

Councilor Shelton said he did not feel they were blatantly disregarding his questions. He said he responded to Mr. Soppe on February 21, 2012, at 9:45 PM. Mr. Soppe replied the list of questions was not submitted until March 5, 2012. Councilor Shelton replied the questions were identical, but his point is that they do take this seriously and they will reply. Mr. Soppe agreed he would also get back to them if he has spoken in error.

Mayor Andrews directed the city manager to follow-up with this matter.

## VI. CONSENT CALENDAR

1. Consider a motion approving **Resolution No. 2012-3001** approving the annual evaluation of the city manager.

This item was pulled from the Consent Calendar and heard under Council Business.

2. Consider a motion approving the April 2, 2012, City Council meeting minutes.

<b>MOTION:</b> <b>Rierson/Howard</b> approving the Consent Calendar including the City Council minutes from April 2, 2012. Motion carried (7 Yes/0 No).
---

## VII. PUBLIC HEARINGS

1. Consider a motion adopting **Ordinance No. 2012-2751** adopting revised findings for the South Industrial UGB amendment and revisions to the Economic Opportunities Analysis.

TIME – 7:09 PM

Mayor Andrews introduced the legislative hearing in the third reading and called for any conflicts of interest or abstentions; none appeared. He reminded everyone the oral testimony has been closed although the written record remained open.

Mr. Barton Brierley, Planning and Building Director, requested Council to continue or postpone the ordinance until the June 4, 2012, Council meeting.

<b>MOTION:</b> <b>Shelton/Bacon</b> to postpone <b>Ordinance No. 2012-2751</b> adopting revised findings for the South Industrial UGB amendment and revisions to the Economic Opportunities Analysis to the June 4, 2012, Council meeting. Motion carried (7 Yes/0 No).
---

2. Consider a motion adopting **Ordinance No. 2012-2752** amending the Newberg Municipal Code allowing utility rate increases to be subject to the referendum process.

TIME – 7:11 PM

Mayor Andrews introduced the legislative hearing in the second reading and called for any conflicts of interest or abstentions; none appeared.

Mr. Terry Mahr, City Attorney, presented the staff report (see official meeting packet for full report).

Mayor Andrews opened and closed the public testimony as no citizens appeared to speak.

Mr. Mahr recommended passing the ordinance as presented in the 2<sup>nd</sup> reading.

**MOTION:** Shelton/Witherspoon approving **Ordinance No. 2012-2752** amending the Newberg Municipal Code allowing utility rate increases to be subject to the referendum process, read by title only. Motion carried (5 Yes/2 No [Howard, McKinney]).

## VIII. NEW BUSINESS

1. Consider a motion adopting **Resolution No. 2012-3002** approving a lease from Owen Equipment Company to purchase a street sweeper.

TIME – 7:21 PM

Mr. Russ Thomas, Public Works Maintenance Superintendent, presented the staff report including an amendment in recital #1 to change to over 72 miles paved and recommended authorizing the purchase of the street sweeper as presented (see official meeting packet for full report).

Councilor Ryan Howard asked if it was a five year lease-to-own totaling \$238,000.00. Staff replied that is correct and at the end of the lease it would be the property of the City.

Councilor Rierson also had questions about the terms of the lease. Staff said the lease purchase in advance reduces the immediate costs and saves a year of interest by reducing the life of the loan.

Councilor Shelton asked if the amount brought in from the insurance would be put into the replacement fund to be available to match the line item which is at \$205,000.00 or if the \$25,000.00 is in there now. Ms. Nordyke replied it is not in there, it will be added so there will be \$230,000.00 at the end of the year less what is spent. They have budgeted \$225,000.00 with some expenses, but there is still a large reserve in maintenance that we do not see because we are not planning to spend it. The account will be settled and increased by \$25,000.00.

Mayor Andrews asked about the fiscal impact numbers being different. Ms. Nordyke replied the \$205,000.00 in the 2011-2012 budget process is for potential purchases; the \$237,952.00 is the total cost of the principal amount of the street sweeper. GAP rules require us to budget the whole amount in addition to the annual payment receiving; we did not budget the total amount because it is not known; there will be a supplemental budget proposed at the May 21, 2012, meeting.

Mayor Andrews asked if the resolution should indicate the buyout costs. Mr. Mahr replied there is not a buyout amount. Mr. Thomas added there will be five equal payments with no residual amount left; the final payment will complete the purchase price.

**MOTION:** Rierson/Howard approving **Resolution No. 2012-3002** approving a five (5) year lease from Baystone Financial Group to purchase a replacement Elgin street sweeper from Qwen Equipment Company in the amount of \$237,952.00.

Mayor Andrews stated he was disappointed the information will not be there until the supplemental, but he agrees we need the equipment, so he will vote in favor for that reason.

Councilor Shelton asked when the contract will be negotiated. Mr. Thomas replied once the resolution is signed and provided; then the order can be placed and the documents signed. Councilor Shelton also wanted to clarify they will get the supplemental on May 21, 2012, so they will have the account and it will not be expended until after that. Mr. Danicic replied this was correct.

<b>VOTE:</b> Approving <b>Resolution No. 2012-3002</b> . Motion carried (7 Yes/0 No).
---

2. Discussion on a potential change to the business license fee structure.

TIME – 7:36 PM

Mayor Andrews passed the roving gavel to Councilor Shelton for this discussion. Councilor Shelton introduced the item.

Mr. David Beam, Economic Development Planner, presented the staff report including a PowerPoint stating he needed Council's direction on the preferred fee calculation methodology, preferred level of services/revenue target, preferred sources of revenue to pay for economic development services and a mechanism for automatic annual fees. He reported the next steps after the Council's direction will be to discuss this with the business community and the Chamber of Commerce before coming back to Council with a defined proposal (see official meeting packet for full report).

Councilor Howard asked about the costs to administer the program. Mr. Beam replied to provide economic development services they have been spending \$110,000.00 annually, but the cost to administer the program is around \$6,500.00. Councilor Howard asked if that is for full or part time employees. Mr. Beam said it is a full time equivalent (FTE). Mayor Andrews clarified the costs mentioned stating staff said the current level of costs to pay for the program or economic development and the licensing program is \$110,000.00 and in that the costs for administration is \$6,500.00. Councilor Shelton referred to the business license program fees.

Councilor Denise Bacon asked if home businesses are treated the same. Mr. Beam replied it is more of a registration for home businesses, but if they are a company they need to get a license. Mr. Brierley added the home occupations are more flexible at only 20% and even at that point is only one or two people.

Councilor Rierson asked about companies that may only have branches located here but are larger companies based elsewhere. Mr. Beam replied it is most equitable to go by how many employees they have in Newberg, not the entire company; it is also based on FTE. Mr. Brierley added this is based on what the company reports to the State.

Mayor Andrews continued conversations with staff about market research, the impacts of economic development on the analysis for developing the south industrial area, the difference between the linear versus progressive options, how cost of living adjustments fit in, and how Newberg compares to what other cities are doing. Mayor Andrews asked what the current policy is for collecting business license fees; staff replied they send an email reminder, a month later they send a letter stating if not renewed penalties will be applied. He asked if there would be any new burdens or administrative costs with the new methods; Ms. Nordyke said no as the information is provided through the State so they will just be gathering the information.

Councilor Howard was concerned with imposing a burden on businesses who want to hire new employees, especially in the progressive methodology and said it seems hindering to economic development. Mr. Beam replied they need to find a balance between the services they want to provide versus hindering business and added they assess the fees as a return investment too.

Councilor Wade Witherspoon asked what criteria are used to determine what constitutes a business. Staff replied if they create \$1,000.00 a year they are considered a business.

Councilor Rierson asked are business licenses charged to nonprofit organizations; staff replied no.

Councilor Shelton asked how temporary merchants relate to this and how this may affect something like the Old Fashioned Festival. Staff stated a temporary merchant would get a temporary merchant permit and the Old Fashioned Festival charges the booths during the festival, the City does not.

Councilor McKinney asked if the Chehalem Valley Chamber of Commerce was consulted and asked how these increases should benefit the local area businesses because this could be an infringement. Staff replied the next steps are to address the business community.

Councilor Shelton called for public testimony:

Mr. Robert Soppe said when the license program was initiated the fee levels were low and some owners voiced concerns about significant increases being a deterrent to businesses in town. He said those who benefit would be more appropriate to fund this than the general business community. The costs need to be appropriately allocated rather than a blanket increase in the business license fee.

Councilor Rierson agreed with Mr. Soppe that it is hard to build businesses individually and by adding more administrative costs he felt it would be better to create a model close to the City of Beaverton. Everything under or over a certain number pays in a staggered amount because even larger companies may have trouble seeing the benefits if they are spending \$3,000.00 a year.

Councilor Howard said he was more likely to accept a per employee rate at a lower range even if it requires reducing the level of services economic development provides. He said we should keep the methodology in line with similar cities and institute a cap to prevent a burden on larger businesses.

Councilor Bacon stated she holds a business license with the City of Newberg and no money comes from the City, but she never felt as though her money was wasted even if no services were received.

Councilor Shelton asked staff if they had received the input they needed to continue. Mr. Beam replied that he had. Councilor Shelton passed the gavel back to Mayor Andrews. Mayor Andrews recessed at 8:39 PM and reconvened at 8:45 PM.

## **IX. COUNCIL BUSINESS**

1. Consider a motion approving **Resolution No. 2012-3001** approving the annual evaluation of the city manager.

TIME – 8:45 PM

This item was pulled from the Consent Calendar. Mayor Andrews stated what was presented in Exhibit “A” is not totally reflective of what was discussed and suggested amendments to paragraph three regarding goal setting and the implementation of a staff development program. He handed out a recommended language amendment (see official meeting record for handout).

**MOTION:** Andrews/Shelton to adopt **Resolution No. 2012-3001** with the amended language for the third paragraph in Exhibit “A”.

Discussions followed about the amending language and the importance of personal professional growth to occur for the city manager as well as a program implemented through the city for all personnel to grow as well both

personally and professionally. Council wished to have this program developed, implemented, and continued so it was in place even if the same group is not conducting the city manager's evaluation next year.

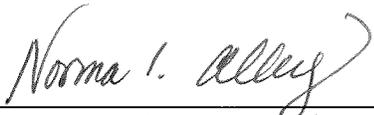
**MOTION:** Shelton/Andrews to amend **Resolution No. 2012-3001** further to include the implementation of a staff development program in cooperation with the City Council. Motion carried (7 Yes/0 No).

**VOTE:** To adopt **Resolution No. 2012-3001** as amended. Motion carried (7 Yes/0 No).

## XII. ADJOURNMENT

The meeting adjourned at 8:57 PM.

**ADOPTED** by the Newberg City Council this 4<sup>th</sup> day of June, 2012.

  
\_\_\_\_\_  
Norma I. Alley, MMC, City Recorder

**ATTEST** by the Mayor this 7<sup>th</sup> day of June, 2012.

  
\_\_\_\_\_  
Bob Andrews, Mayor