



**CITY COUNCIL AGENDA
MAY 21, 2012
7:00 P.M. MEETING
PUBLIC SAFETY BUILDING TRAINING ROOM (401 EAST THIRD STREET)**

Mission Statement

The City of Newberg serves its citizens, promotes safety, and maintains a healthy community.

Vision Statement

Newberg will cultivate a healthy, safe environment where citizens can work, play and grow in a friendly, dynamic and diverse community valuing partnerships and opportunity.

I. CALL MEETING TO ORDER

II. ROLL CALL

III. PLEDGE OF ALLEGIANCE

IV. SPECIAL PRESENTATIONS

Consider a motion approving a proclamation declaring the last Tuesday in May as Stop, Drop & Read Day. (Pgs. 3-4)

V. CITY MANAGER'S REPORT

VI. PUBLIC COMMENTS

(30 minutes maximum, which may be extended at the Mayor's discretion, with an opportunity to speak for no more than 5 minutes per speaker allowed)

VII. CONSENT CALENDAR

1. Consider a motion approving **Resolution No. 2012-3004** declaring a GMC School Bus and a boat trailer as surplus property. (Pgs. 5-7)
2. Consider a motion approving the April 16, 2012, City Council meeting minutes. (Pgs. 9-18)

The Mayor reserves the right to change the order of items to be considered by the Council at their meeting. No new items will be heard after 11:00 p.m., unless approved by the Council.

VIII. PUBLIC HEARINGS

1. Consider a motion adopting **Resolution No. 2012-3003** approving Supplemental Budget #2 for fiscal year 2011-2012. (Pgs. 19-25)
(Administrative Hearing)
2. Consider a motion approving **Ordinance No. 2012-2750** deferring the collection of System Development Charges for affordable housing projects. (Please bring material from the 3/5/2012 and 3/19/2012 meetings) (Pgs. 27-29)
(Legislative Hearing – 3rd Reading)

IX. NEW BUSINESS

1. Consider a motion adopting **Resolution No. 2012-3005** modifying the job classification of Public Works Director to Assistant City Manager. (Pgs. 31-36)
2. Consider a motion approving the methodology for matching funds toward the Newberg-Dundee Bypass Project. (Pgs. 37-38)

X. COUNCIL BUSINESS

XI. EXECUTIVE SESSION

Executive Session pursuant to [ORS 192.660\(2\)\(h\)](#) to consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed.

XII. ADJOURNMENT

ACCOMMODATION OF PHYSICAL IMPAIRMENTS: In order to accommodate persons with physical impairments, please notify the City Recorder's office of any special physical or language accommodations you may need as far in advance of the meeting as possible and no later than 48 hours prior to the meeting. To request these arrangements, please contact the City Recorder at (503) 537-1283. For TTY services please dial 711.

Council accepts comments on agenda items during the meeting. Fill out a form identifying the item you wish to speak on prior to the agenda item beginning and turn it into the City Recorder. The exception is land use hearings, which requires a specific public hearing process. The City Council asks written testimony be submitted to the City Recorder before 5:00 p.m. on the preceding Thursday. Written testimony submitted after that will be brought before the Council on the night of the meeting for consideration and a vote to accept or not accept it into the record.

The Mayor reserves the right to change the order of items to be considered by the Council at their meeting. No new items will be heard after 11:00 p.m., unless approved by the Council.

REQUEST FOR COUNCIL ACTION

DATE ACTION REQUESTED: May 21, 2012

Order ___ Ordinance ___ Resolution ___ Motion XX Information ___
No. No. No. ___

**SUBJECT: Approve Proclamation declaring
the Last Tuesday of May Stop, Drop & Read Day**

**Contact Person (Preparer) for this
Motion:** Leah Griffith, Library Director
Dept.: Library
File No.:

RECOMMENDATION: Approve a proclamation declaring the last Tuesday in May as Stop, Drop & Read Day in Newberg.

EXECUTIVE SUMMARY: In order to have a strong community it is important to support and promote the belief that reading is the key to success in school and in life. A group of Newberg Citizens, recognizing the need to raise awareness about the importance of strong reading skills, set forth a plan to have a city wide reading event on May 29, 2012, at 1:30 p.m. for up to 15 minutes. *Reading for All* agreed to promote the event throughout Yamhill County and elicit the support of local business, organizations and agencies to encourage people of all ages to participate. The Newberg Public Library and the Newberg Fire Department are participating in the event.

FISCAL IMPACT: *Reading for All* is providing funds toward this event and will be seeking out contributions from local businesses and community organizations.

STRATEGIC ASSESSMENT: Having an educated community is the foundation for a better workforce, stronger families and less reliance on social services. Strong reading skills need to be at the forefront of people's minds.



PROCLAMATION

A PROCLAMATION DECLARING THE LAST TUESDAY IN MAY AS STOP, DROP & READ DAY

WHEREAS, reading is the cornerstone of knowledge; and

WHEREAS, 6 out of 10 babies and 5 out of 10 toddlers are not read to regularly; and

WHEREAS, many children enter kindergarten not ready to learn and recognizing that children who are behind in reading when they start first grade only have a 1 in 8 chance of ever catching up to their grade level and studies confirm that students who fail to become skilled readers by the end of third grade have little chance of graduating from high school; and

WHEREAS, 23.8% of Yamhill County's population with less than a high school degree live in poverty and in 2008, the illiteracy rate among adults in Yamhill County was 10.8%; and

WHEREAS, a group of Newberg citizens recognized the need to raise awareness about the importance of strong reading skills and elicited the support of Newberg Public Library, Newberg School District and Newberg Fire Department who acknowledged the importance of participating in this event; and

WHEREAS, *Reading for All*, a county literacy initiative, agreed to support and promote this event throughout Yamhill County; and

WHEREAS, the Mayor and the City Council acknowledge the importance of reading to a healthy and productive community.

NOW, THEREFORE IT IS PROCLAIMED by the Mayor and City Council of the City of Newberg, Oregon that the last Tuesday of May every year henceforth will be Stop, Drop & Read Day in Newberg and calls upon our citizens to celebrate the joy of reading by stopping what they are doing at 1:30 p.m. and reading for up to 15 minutes.

IN WITNESS WHEREOF, I have hereunto set my hand and cause the Seal of the City of Newberg to be affixed on this 21st day of May, 2012.

Bob Andrews, Mayor

REQUEST FOR COUNCIL ACTION

DATE ACTION REQUESTED: May 21, 2012

Order ___ No.	Ordinance ___ No.	Resolution <u>XX</u> No. 2012-3004	Motion ___	Information ___
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SUBJECT: Surplus and sale of a school bus, as well as surplus and donation of a boat trailer.

Contact Person (Preparer) for this
Motion: Frank Douglas
Dept.: Fire
File No.:

RECOMMENDATION:

Adopt Resolution No. 2012-3004 for the surplus and sale of one (1) 1996 GMC school bus (VIN 1GDHF31Y4TF504634) and for the surplus and donation of one (1) 1979 boat trailer (VIN 913227).

EXECUTIVE SUMMARY:

The City of Newberg owns a small 1996 bus, which was donated by the Newberg School District in 2008 to Newberg Fire Department for use in training. Newberg Fire Department has finished using the bus for training and would like to sell it for the estimated selling price for the bus is \$500.00. The bus is taking up needed parking/storage space.

The City of Newberg owns a 1979 boat trailer. Due to safety concerns, the 1979 boat trailer has been replaced by a 2012 boat trailer. Newberg Fire Department would like to donate the 1979 boat trailer to the Newberg Volunteer Firefighter's Association (NVFFA). NVFFA will sell the trailer to help offset their \$1,500.00 contribution to the purchase of the 2012 boat trailer.

FISCAL IMPACT:

Both of these transactions have negligible fiscal impact. The small school bus will sell for approximately \$500.00. The donation of the boat trailer to NVFFA will help them recover funds utilized for the purchase of a new boat trailer. The selling price for the 1979 trailer is estimated at \$500.00 to \$1,000.00.

STRATEGIC ASSESSMENT:

Neither the small school bus or boat trailer has strategic significance to the operation of Newberg Fire Department. Both take up needed parking/storage space at the fire stations.



RESOLUTION No. 2012-3004

A RESOLUTION DECLARING ONE (1) 1996 GMC SCHOOL BUS AS SURPLUS AND ALLOWING FOR IT TO BE SOLD, AS WELL AS DECLARING ONE (1) 1979 BOAT TRAILER AS SURPLUS AND ALLOWING FOR IT TO BE DONATED

RECITALS:

1. The City of Newberg Fire Department has been operating a Fire Department since 1898.
2. The City of Newberg owns a 1996 GMC School bus (VIN 1GDHF31Y4TF504634), which was donated in 2008 by the Newberg School District.
3. The City of Newberg owns a 1979 Ezloader boat trailer (VIN 913227), which was replaced by a 2012 trailer.
4. Newberg Fire Department recommends the surplus and sale of the 1996 School bus, as well as the surplus and donation of the 1979 Ezloader boat trailer to the Newberg Volunteer Firefighter's Association.

THE CITY OF NEWBERG RESOLVES AS FOLLOWS:

1. The City Council authorizes, directs, and delegates the authority to the Solicitation Agent, which is the City Manager unless authority is otherwise delegated, in accordance with the Code [Section 3.25.080(J)] to do all necessary acts and take all necessary steps to sale the 1996 GMC school bus and donate the 1979 Ezloader boat trailer, both items in "as is" condition. The GMS school bus will be sold for the highest reasonable offer. Furthermore, the Solicitation Agent has the authority to reject any unreasonable offers. Further the Solicitation Agent or designee is authorized by City Council to advertise the GMC school bus as needed and/or required by the City Code, Section 3.25.080(J).
2. The City Council has reviewed the recommendation to declare the 1996 school bus as surplus and sold for the highest reasonable offer.
3. The City Council has reviewed the recommendation to declare the 1979 Ezloader boat trailer as surplus and donate it to the Newberg Volunteer Firefighter's Association.

4. The City Attorney will approve any and all purchase agreements as to form and content with outside parties prior to any final agreements to the sale of the GMC school bus.

➤ **EFFECTIVE DATE** of this resolution is the day after the adoption date, which is: May 22, 2012.

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

Norma I. Alley, MMC, City Recorder

ATTEST by the Mayor this 24th day of May, 2012.

Bob Andrews, Mayor

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REQUEST FOR COUNCIL ACTION

DATE ACTION REQUESTED: May 21, 2012

Order ___ Ordinance ___ Resolution ___ Motion XX Information ___
No. No. No.

SUBJECT: Approve the April 16, 2012, City Council Meeting minutes.

Contact Person (Preparer) for this Motion: Norma Alley, City Recorder
Dept.: Administration

RECOMMENDATION:

Approve City Council minutes for preservation and permanent retention in the City's historical records.

EXECUTIVE SUMMARY:

The City of Newberg City Council held a public meeting and minutes were recorded in text. In accordance to Oregon State Records Management law, the City of Newberg must preserve these minutes in hard copy form for permanent retention.

FISCAL IMPACT:

None.

STRATEGIC ASSESSMENT:

None.

animal shelter, plumbing has been installed and they should be finished pouring the concrete slab on Friday. He has also been meeting with representatives from the Newberg Animal Shelter Friends (NASF) on a weekly basis working through the current work and the phasing after construction. Finally, he announced he would be out of the office for the remainder of the week.

VI. PUBLIC COMMENTS

Ms. Jeannie Sandall announced her write-in candidacy for Yamhill County Assessor stating she worked there for twenty years, leaving in August, 2010, and described the office as a disaster with people out sick from stress and the inability to work in the current conditions. She felt if she is successful she would put the employees and the public first and start making cuts from the top including her own salary. She said you do not have a working office without employees.

Mr. William Kotz requested the Council consider naming a street in Newberg “Drea’s Way” to honor his granddaughter, Nicole Andrea Post, who lost her life in Junction City last August, 2011. It was the families’ hope that every time someone writes the street name or sees it posted there would be a remembrance of his granddaughter. He also thanked the Chehalem Park and Recreation District (CPRD) for the commemorative bench they installed for her. He has lived here for eleven years and loves Newberg and hoped the Council would consider this request.

Councilor Wade Witherspoon asked if they had a specific location in mind with a currently named street. Mr. Kotz replied they were not requesting a street name to be changed, just that the next available street in Newberg would be named in her honor.

Mayor Andrews thanked him for bringing it forward, stated staff will research the possibility, and contact him with the results.

VII. CONSENT CALENDAR

Consider a motion approving the March 19, 2012, City Council meeting minutes.

TIME – 7:27 PM

<p>MOTION: Witherspoon/Shelton approving the Consent Calendar including the City Council minutes from March 19, 2012. Motion carried (7 Yes/0 No).</p>
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VIII. PUBLIC HEARINGS

Public Hearing and discussion on **Ordinance No. 2012-2752** amending the Newberg Municipal Code pertaining to the Citizens’ Rate Review Committee section allowing utility rates and/or fee increase to be referred to the voters through the State referendum process.

TIME – 7:28 PM

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

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

Mayor Andrews asked if there is an initiative with sufficient signatures does council have to accept it. Mr. Mahr replied when talking about a referendum petition, when the matter is presented with the correct number of signatures the Council can choose to either put out a competing measure, revoke/repeal what action took place, or they can send it to election; it cannot be ignored.

Mr. Mahr continued by explaining the differences between the two alternatives offered. The first would be that any utility rate increases, if the referendum process is used and the proper signatures gathered, can be referred to the voters. The second is to state that anything above a certain percent is subject to referendum; that portion has to be set for what is subject to referendum. Each alternative would not take effect for thirty days and would have to have 10% of the electorate (currently 1,020). Mr. Mahr said he asked other cities if they have automatic increases and other than Estacada at 3%, there were none. The Consumer Price Index (CPI) is 2.9% for Portland and there is still the problem of having to pay for the election unless it is held in an even numbered year in the May primary or November general elections. He said he was asking for Council to give him direction for how they would like the final ordinance prepared.

Councilor Marc Shelton spoke of the alternatives and the thirty day requirement to take an item to election, asking if the current rate review process would be able to meet election deadlines for a May ballot in the even years. Mr. Mahr stated decisions would need to be made within sixty days before the measure would need to be filed, then another thirty days for council to respond with a competing measure, then fifteen more days to give the County Clerk time to verify the signatures. Councilor Shelton continued by asking about implementing now versus postponing increases in regards to making the November election this year. Mr. Mahr replied implementing this now and reconsidering the rates in June would allow time to be put into the November election and if they wanted to wait they can even put an item on the ballot themselves. They continued briefly discussing how the repeal process would fit in with the deadlines and how to handle scenarios where increases do not occur until the second year of the rate cycle, which would be on an odd year without an available free election. Mr. Mahr said there is nothing in the law against using longer rate cycles other than the limitations can be more difficult. Mr. Danicic also suggested the discussions on rate increases can be decided to occur only in even years in case of opposition and since each rate is brought forth as a separate resolution, each can be handled differently.

Mayor Andrews opened the public testimony.

Mr. Chuck Zickefoose, Citizens' Rate Review Committee (CRRC) member, stated there is a third alternative available, which is to do nothing. He argued our process works well and gives opportunity for the public to come to regular meetings and town hall meetings. It allows people to express their opinions and the CRRC pay attention to those opinions; an example of this is that they are not recommending raising rates for the first year for water and wastewater as a result of public input. He suggested saving time and efforts by doing nothing.

Mayor Andrews closed the public testimony.

Mayor Andrews stated the City of Pendleton uses Consumer Price Index (CPI) as a base as well as another city he cannot remember; one is a flat CPI, the other is a CPI plus, and he believes it is fixed in Estacada. Mr. Mahr agreed Estacada applies the same to all fees. Mayor Andrews continued by stating many are moving in this direction for utilities because it allow for operations and maintenance (O&M) costs to be covered at a fixed percentage with the option of the public saying yes or no for other projects, which he supports. He asked for clarification from staff on the source of the CPI figure of 3.1%. Ms. Janelle Nordyke, Finance Director, stated it came from the Portland/Salem annual comparison from December, 2011, to December, 2010. Mayor Andrews said they need to specify what CPI is being used whether it is year end or the 2nd half of 2011 and recommended using an index rather than a fixed percentage that allows for rise and fall based on the economy and suggested CPI plus to factor in for additional amounts.

Councilor Ryan Howard felt like this is a solution looking for a problem rather than a solution to a problem as we already have a very public system of rate review with our Citizens' Rate Review Committee (CRRC). The City has said this is the way for the public to participate in the process. If the public is dissatisfied by Council beyond that, than they can vote someone else in or recall the present Council. He said he learned from the election that 34% of those voting want five members of the public to put any fee, rate, or charge to a vote of the

people and they are aware there is a constituency that wants a say in everything we do, but it is not the best way to operate and the division of power is in the Charter. He did not see a need to change the system.

Councilor Witherspoon said he had additional issues with the section that mentioned the city has debt obligations, which make it necessary for rate increases and the possibility of excluding those from affect by referendum. Mr. Mahr replied they should consider if they do not have this it will not prevent building facilities; more things could be put in to fine tune Council's desire, but the more fine tuning the more complicated the measure becomes. He said the Finance Director can isolate funds in order to maintain debt obligation.

Mayor Andrews asked about existing debt and if this precludes future debt from incurring, or if they can acquire debt anytime and it is excluded. Mr. Mahr said they do not know the answer to this; he has asked a City of Sheridan representative about this, but added they have not heard from bonding attorneys that no one will loan money.

Councilor Bart Rierson said he was torn because he can see how having a process in place could present a problem if the Department of Environmental Quality (DEQ) came up with mandatory provisions on top of the other regulations they already have to comply with causing infrastructure improvements to exceed costs. At the same time, he does like the State referendum process and is concerned the next time an increase occurs that if they do not have a process in place they may see a better written initiative petition. He said the election told him that 34% of the voters said they would like to have a say in taxes and having something in place could help to have a more reasonable expectation of 10% being required rather than only five citizens to petition. Also, having an index may make rate increases more palatable and less likely to be challenged; he would like to have a process in place.

Councilor Shelton spoke of the local level providing the best opportunity for these decisions to be made and said he did not agree with alternative #1, but something more reasonable would be to keep O&M at CPI and anything above that would have to be explained to the community to make a decision. He also felt they needed to write in a way that this occurs in even years only so they do not back themselves into paying for an election. He said they would not be doing a good job if they are not anticipating what could happen next time.

Councilor Stephen McKinney agreed with Councilor Howard and Mr. Zickefoose, pointing out the City Charter was approved by a ballot vote. He said this City is doing more and there are more ways for people to have a say in the process than other communities. He noted that several months ago, CPI was a negative number and during a time of consistency CPI may offer an accurate tool, but not here. He felt they could draw on the history of the town and the Charter that the League of Oregon Cities (LOC) championed in more than one community. He felt if only 1,000 voters were required to sign that would be 500 less that what was required during the last process. He was proud the citizens recognized a bad idea and they were able to vindicate the way we give this town more say than other communities in the process.

Mr. Mahr spoke of some of the history of the establishment of the CRRC process and the limits placed on Council authority with increases having to be referred back to CRRC and such. The addition of the idea of referring a decision to a vote left the City vulnerable to the initiative and this is one provision they may want to consider putting back in.

Councilor Denise Bacon said what people were voting against was the five person number and it takes very motivated people to get one thousand signatures in thirty days; she felt that was a huge safety net.

Councilor Howard stated he sees the City having several years of higher than CPI rate increases because they have obligated themselves to a course of action to build for population increases. He does see them having rate increases, not because they are choosing to do projects, but because of other complicated decisions and he did not feel they have the extra time that would be needed to explain this every time there is fervor over rate

increases. He agrees that over 12-15% are in favor of citizen participation, but this does not require something like this in place and they can easily get run down explaining this every year. He said he liked to defend himself as a representative rather than on each decision made. If this goes to referendum then it is not just Council speaking to concerns, it obligates them to go out and speak on and defend their decisions to the entire City. Mayor Andrews said he heard his concerns, but he did not agree with him.

Councilor Rierson asked about capacity improvements being paid by System Development Charges (SDCs) from new residents. Mr. Danicic replied this was correct. Councilor Rierson continued by stating it is complicated math and much of the public do not want growth because they fear they will have to pay for it; he felt it was important to separate this because it is easy to confuse.

Mayor Andrews said there was great merit in Councilors Howard and McKinney's position and there were no strong demonstrations of need before; he wondered if they needed to look ahead and plan or not. He felt this amendment would take the politics out of the CRRC to study the complete spectrum based on a forecast and make recommendations based on the needs we have. He wondered if this was fair to hold them to determine this. He suggested a CPI plus three, which does not have to be spent, but allows the option to use and plan on it as they do with property taxes. If they wish to exceed this, then they can put it to a public vote on a two year cycle like this one where there is nothing increasing in the first year, but then in the second if they continue with biannual rate setting. He agrees the people have a voice but they say no one pays attention to them so they want to vote. He said he could not go for the first alternative, but was leaning towards the second alternative with some clean-up. He is concerned about future debt incurred, but did not want to address this yet.

Councilor Rierson said he also could not support the first alternative and he likes the CPI plus with having an alternative like #2 to give another level of checks and balances. We did not manage this well in the past for rates which is why we have had these problems. If we have increases, we have an obligation to explain them to the voters. If there is no alternative, then they will likely end up with something not well thought out for the City when another referendum comes before the electorate.

Councilor McKinney argued if it is not broke why fix it, saying when they accept funding or Federal money to build something it comes with obligations which rates have to reflect this. Judge Collins in the 5th Circuit for Sheridan and others now have a legal precedent for indebtedness, but looking forward, he would hate citizens to look at CPI perception like we are doing this because then we know we will get at least that.

Mr. Danicic added one of the recommendations coming to them in June is the implementation date to change from July to January so the natural cycle is beginning to look at the next two years fitting in with the even years.

MOTION: Andrews/Rierson to add language to alternative #2 including the Consumer Price Index (CPI) to be used at a CPI plus three for **Ordinance No. 2012-2752**. Motion carried (7 Yes/0 No).

Mayor Andrews closed the public hearing, stating the written record only will be open for seven days. He recessed at 8:42 PM and reconvened at 8:47 PM.

IX. CONTINUED BUSINESS

Consider a motion adopting **Resolution No. 2012-2988** establishing policies and procedures for administration of the Affordable Housing Trust Fund Bylaws.

TIME – 8:47 PM

Mayor Andrews announced an outstanding motion made on March 19, 2012, by Councilors Howard and Rierson before the item was tabled remained on the floor and would need to be addressed after the staff report.

Mr. David Beam, Economic Development Coordinator, presented the staff report including a PowerPoint and a recommended change to Council, which was included into the record, to remove the part in section 1.3 that states the limits are defined by the Planning Director and replace it with the definition established by the Department of Housing and Urban Development income limits and clarified all referrals to “bylaws” should be replaced with “policies and procedures” for the Affordable Housing Trust Fund (see official meeting packet for full report).

Councilor Witherspoon referred to page 30 in the third paragraph and his concerns for private landlords raising rent; he asked how just getting people in there that qualify was a solution. Councilor Rierson stated the housing designation for low income places limits on what they can charge for rent, so by requiring qualifying families be in there, the rent cannot be raised.

Councilor Rierson wondered if other agencies providing assistance also do so for the moderate income category as well as the low, very low, and extremely low groups. He was concerned about helping the average income groups when there is such a huge chunk of people in the very low income categories. Councilor Bacon responded by saying this group is not being served at all with the section 8 vouchers being closed for years with huge waiting lists, this leaves no help at all for the moderate group with housing levels being so expensive and being so overwhelmed with the low and very low levels.

Mr. Beam concluded his staff report by noting the funding sources were included, which were not in the first proposal as well as a new budget number so existing housing rehabilitation funds could be transferred in as seed money and any new money approved by Council.

MOTION FROM MARCH 19, 2012: Howard/Rierson withdrew the motion to adopt **Resolution No. 2012-2988**. Motion withdrawn.

Mayor Andrews recommended ending the language “for Yamhill County, Oregon” at the end of the sentence in 3.5.k.

Councilor Rierson stated he was uncomfortable with the inclusion of the moderate group here although he was not opposed to considering it at a later time.

Councilor Howard said he understood his concern and referred to section 8.5, and one of the criteria for determination being the income level, so it is targeted and weighted towards lower income. Councilor Rierson said he was more comfortable with that.

Councilor McKinney said he was still uncomfortable with this as written because there are continually more hoops and layers making renting homes difficult as well as city and staff time involved. He said he is just uncomfortable with this type of legislation.

MOTION: Rierson/Bacon to adopt **Resolution No. 2012-2988** establishing policies and procedures for administration of the Affordable Housing Trust Fund as amended, including staff corrections made to 1.3.

Mayor Andrews said he was concerned with the indexing issue, but with the addition of language in 1.3 of low and very low income categories and the weighting towards the lower income groups, he will vote yes.

Councilor Rierson also agreed the weighting towards lower income and the amendment to identify the mechanism made him more comfortable with just establishing a vessel to hold funding with future discussions to come. He said Council identified affordable housing as a goal and established a task force to work hard on this and this is the first step, so he is happy to support this effort.

Councilor Shelton also pointed out nothing would go into this fund without Council approval and he would support it because of this.

VOTE: To adopt **Resolution No. 2012-2988** as amended. Motion carried (7 Yes/0 No).

X. NEW BUSINESS

1. Consider a motion adopting **Resolution No. 2012-2999** amending the downtown design guidelines to include a new inverted-U bicycle rack design in four colors.

TIME – 9:15 PM

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

Councilor Shelton asked for a price comparison to the costs given in the 2011 presentation. Staff replied the cost for the inverted-U racks installed is \$171.00, the post and ring racks are \$238.00.

Councilor Howard spoke of his experience using the serpentine racks and pointed out reasons why inverted-U racks are better functionally.

MOTION: **Howard/Rierson** to adopt **Resolution No. 2012-2999** amending the downtown design guidelines to include a new inverted-U bicycle rack design in four colors.

Councilor Rierson said he was disappointed the bicycle racks chosen during the downtown revitalization process were not as practical as they were aesthetic. He liked the functionality of the staples racks as well as the color options for style too; he supported the resolution.

VOTE: To adopt **Resolution No. 2012-2999**. Motion carried (7 Yes/0 No).

2. Consider a motion adopting **Resolution No. 2012-3000** approving a hardship request by the Foothills Water Company water district.

TIME – 9:28 PM

Mayor Andrews passed the roving gavel to Councilor Rierson who introduced the resolution.

Mr. Jay Harris, City Engineer, presented the staff report (see official meeting packet for full report).

Councilor Howard asked if the residents are billed at the springs class rate or included in springs customer class. Staff replied both statements are true.

Councilor Rierson asked if their rate is 1.5 times the city rate. Mr. Danicic replied it is actually higher because of cost sharing and annual increases.

Mayor Andrews said the four owners signed a petition requesting to be connected to the city system and would be temporarily provided until further action and asked if they would be a springs customer or on the city system. Staff replied they are springs system customers.

Councilor Rierson wanted to ensure the contract includes the City will not pump city water to them if they lose the current water source.

Mayor Andrews felt the reference to not overburden the springs, city supply, or system needs to be clarified; we do not wish to set precedence for others to migrate into our system immediately.

Councilor Rierson asked about springs water being disconnected from the city water system. Staff replied all springs have been disconnected from the city fed water system.

Mayor Andrews asked if SDCs were paid in 1963 by the water company for the master meter. Staff replied these were typically offset by credit to the master meter with SDCs, but to get a 4" meter agreements were probably made and can research this if needed.

Councilor Shelton asked if the letter in the packet would be attached and serves as the willingness of the residents to participate. Staff replied it does but they will come into a separate agreement with each resident and if issues cannot be resolved they will come back to Council.

Councilor Witherspoon asked about requirements for those in the Urban Growth Boundary (UGB) to be brought inside the city. Mr. Harris replied outside of this meeting with planning staff there may be other elements to consider with this and he would want to discuss this with them and the city attorney before moving in this direction. Councilor Witherspoon continued about one of the requirements for supplying water outside of the city being in a water district, but there is no district in this case and they are being billed individually so this needs to be addressed. Mr. Harris replied the agreement would have to supplant the water district and he would still need to work with the city attorney on that.

Councilor Shelton stated they are moving down a path that changes the relationship before we change the agreement by taking action on this. Mr. Mahr replied it does change the relationship and is moving in stages, first the hardship request then they redo the agreement.

Councilor Howard said he perceives this as just a change in where the bill is sent and is just an administrative difference. Mr. Mahr spoke of the historical processes regarding hardships and conflicts envisioned; he said they could bring something back as an interim policy but step one is to approve this and then bring back the agreements.

Councilor Rierson asked about infrastructure for new meters and the pipe sizes. Staff replied there were 3/4" for domestic use only, with no agricultural use.

Councilor Bacon clarified we are only doing the hardship because the residents do not want to do the water district any longer and no one wants the responsibility. Staff replied this is correct, the homes are rented and no one is there to monitor, read the meters and send billing, and we are set up to do those here.

MOTION: Andrews/Shelton to adopt **Resolution No. 2012-3000** approving a hardship request by the Foothills Water Company water district with changes to the language distinctions between springs and city system. Motion carried (7 Yes/0 No).

XI. COUNCIL BUSINESS

TIME – 9:58 PM

Councilor Rierson mentioned discussions about the 2nd Street parking lot with Mike Ragsdale and how to pay for it; he felt a plan was needed and that it was a worthwhile project to explore.

Councilor McKinney added a project involving multiple stories could solve parking issues for the Cultural Center and other merchants to maximize the use of the space. He said it makes fundraising more complicated, but fits the purpose better.

Mr. Danicic said he shared in his manager's report the cost estimates for the lot as proposed being in the \$350-\$400,000.00 range. They are looking at funding opportunities through Federal exchange monies each year which can be allocated out of right-of-way expenditures, but the trade off is a road may not get paved. A parking garage would maximize space, but would also cost about \$20,000.00 per stall. He agreed a Local Improvement District (LID) or some sort of transportation impact fee allocation could work. He said he will come back and have them look at all the options as a package.

Mr. Mahr spoke of possible issues with Metro contracting ambulance services to County patients where we could have exclusives on transfers; this could have financial impacts and there will be a future report.

Councilor Bacon reported on the success of the Spanish-speaking emergency preparedness event they held.

XII. ADJOURNMENT

The meeting adjourned at 10:14 PM.

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

Norma I. Alley, MMC, City Recorder

ATTEST by the Mayor this 24th day of May, 2012.

Bob Andrews, Mayor

REQUEST FOR COUNCIL ACTION

DATE ACTION REQUESTED: May 21, 2012

Order ___ No.	Ordinance ___ No.	Resolution <u>XX</u> No. 2012-3003	Motion ___	Information ___
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SUBJECT: Request for approval of Supplemental Budget #2 for fiscal year 2011-2012 as described in Exhibit "A".

Contact Person (Preparer) for this Motion: Janelle Nordyke
Dept.: Finance
File No.:

HEARING TYPE: ADMINISTRATIVE

RECOMMENDATION:

Adopt Resolution No. 2012-3003 for approval of Supplemental Budget #2 for fiscal year 2011-2012.

EXECUTIVE SUMMARY:

Staff has reviewed the financial activity for the current fiscal year (2011-2012) and determined that some changes need to be made to the budget in accordance with Oregon Local Budget Law.

Throughout the year, the City may receive grants from various sources. The Planning Department (Fund 01) received a grant from the Alliance for Community Traffic Safety to plan safe routes to schools. The amount of the grant was \$3,000.00. The City needs to recognize the revenue and appropriate the use of these funds.

The City also received a FEMA grant (Fund 01) in 2010-2011 to remodel Fire Station 20. The initial amount of \$810,000.00 was recognized and appropriated in 2010-2011. \$61,555.00 of expenditures were made in FY 2010-2011 so this is to adjust the balance of the FEMA grant to actual for expenditures to be made in FY 2011-2012. In addition to the FEMA grant, the Newberg Volunteer Firefighters donated \$17,570.00 to the remodel project that must be recognized and appropriated. Therefore, a net budget reduction of (\$44,760.00) has been made to the FEMA Grant – Fire revenue line and to the Capital Outlay – FEMA Grant expenditures line.

It is anticipated that Civil Forfeiture Fund (Fund 3) will have some transaction activity prior to the close of fiscal year 2011-2012. In order to properly account for the receipt of these restricted revenues, the City must budget both the revenue and uses of these monies. A \$5,000.00 budget increase is recommended for this fund.

A 5-year plan for Utility Capital Projects (Fund 04) is prepared each year. When the time comes to actually do the project, budget adjustments usually need to be made. This supplemental budget recognizes the addition of Utility Improvements for the New Animal Shelter Facility of \$50,000.00 and additional costs associated with the Wellfield Improvements of \$25,000.00. Several projects have been pushed out to the next fiscal year. These projects are the Springs Improvements with a reduction in budget of (\$600,000.00), N Valley Reservoir Upgrades budget reduction of (\$165,000.00) and the Vermillion Drain to Creek budget reduction of (\$127,000.00). The related funding sources have appropriately been increased or decreased. Wastewater Transfer Out for Capital Projects (Fund 06) has been increased by \$50,000.00, Water Transfer Out for Capital Projects (Fund 07) has been decreased by (\$740,000.00), and Stormwater Transfer Out for Capital Projects (Fund 17) has been decreased by (\$127,000.00).

A 5-year plan for Streets Capital Projects (Fund 18) is also prepared each year. When the time comes to actually do the project, budget adjustments usually need to be made. This supplemental budget recognizes the addition of Bicycle Route Improvements in the budget amount of \$30,000.00, Sheridan St. CPRD Project has been pushed to next fiscal year corresponding to a decrease in the budget amount of (\$360,000.00), and Pavement Rehab Phase 1 has been pushed out to future fiscal periods with a decrease in the budget amount of (\$164,000.00). The related funding sources have appropriately been increased or decreased. Streets Transfer Out for Capital Projects (Fund 02) has been decreased by (\$134,000.00) and Street Development Transfer Out for Capital Projects (Fund 42) has been decreased by (\$360,000.00).

The City received insurance proceeds from the August 2011 ambulance crash. The proceeds were receipted into the EMS Fund (Fund 05) since the ambulance was owned by the EMS division. A supplemental budget action is needed to transfer the proceeds of \$148,791.00 to the Fire & EMS Fee Fund (Fund 33) to cover the cost of purchasing a new ambulance during fiscal year 2011-2012.

The new Animal Shelter Facility (Fund 24) is underway. The City has begun receiving donations to purchase equipment for the new facility. In order to properly account for the receipt of these restricted revenues, the City must budget both the revenue and uses of these monies in the amount of \$5,000.00.

In discussing ways to get more citizens involved in the budget process, the Budget Committee felt it was appropriate to do some additional advertising. The Budget Committee approved the City to send out a postcard to let every citizen within the City limits become aware of the date for the Budget Committee Town Hall in order to give them ample opportunity to attend. As this expense was not anticipated, it is necessary to transfer funds to do this request. A transfer in the amount of \$3,000.00 from Admin. Support Services Fund (Fund 31) Contingency to Printing and Advertising – Finance is needed.

In the Vehicle/Equipment Replacement Fund (Fund 32) three capital leases/loans are anticipated to commence during FY 2011-2012. The proceeds from the leases/loans as well as the related expenditures need to be recognized in the budget. \$111,875.00 in the Public Works Department will be recognized for two new caterpillar backhoes and \$240,000.00 for a new street sweeper. \$73,101.00 will be appropriated in the Police Department for two new patrol cars.

Polk County contributed \$10,000.00 to the Police Department's Computer Forensic Division (Fund 01) for work the City provided to Polk County. The Police Department would like to use those funds to purchase additional computer forensic equipment. In order to accomplish this, the revenues must be recognized and the uses must be appropriated. An increase in the Internal Charge for Forensic Equipment (Fund 01) in the amount of \$10,000.00 is being added to the current budget. A corresponding increase in the Internal Revenue and Capital Outlay for Forensic Equipment is recognized and appropriated in the Vehicle/Equipment Replacement Fund (Fund 32).

FISCAL IMPACT:

The annual budget appropriation decrease requested is \$600,202.00 for a total budget of \$67,882,680.00.

STRATEGIC ASSESSMENT:

The adoption of this supplemental budget will accurately reflect the activity of the City. The public hearing for the supplemental budget was noticed in the paper of record, the Newberg Graphic, the week of May 9, 2012.



RESOLUTION No. 2012-3003

A RESOLUTION ADOPTING SUPPLEMENTAL BUDGET #2 FOR FISCAL YEAR 2011-2012 BEGINNING JULY 1, 2011, AND ENDING JUNE 30, 2012

RECITALS:

1. The 2011-2012 Budget was adopted by Resolution No. 2011-2953, June 6, 2011, by the City Council.
2. A Supplemental Budget #1 was adopted by Resolution No. 2011-2973, November 7, 2011, by the City Council.
3. Since then circumstances require changes to the budget as shown in Exhibit "A", which is hereby attached and by this reference incorporated.

THE CITY OF NEWBERG RESOLVES AS FOLLOWS:

To recognize additional revenues, expenditures, and changes in contingencies as shown in Exhibit "A", which is hereby attached and by this reference adopted.

- **EFFECTIVE DATE** of this resolution is the day after the adoption date, which is: May 22, 2012.

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

Norma I. Alley, MMC, City Recorder

ATTEST by the Mayor this 24th day of May, 2012.

Bob Andrews, Mayor

EXHIBIT "A"

City of Newberg
Supplemental Budget #2
Fiscal Year 2011-2012

<u>FUND 01 - GENERAL FUND</u>		BUDGET	CHANGE	REVISED
FEMA Grant - Fire	Decrease	810,000.00	(44,760.00)	765,240.00
Planning Grants	Increase	-	3,000.00	3,000.00
PD Reports and Other Fees	Increase	7,500.00	10,000.00	17,500.00
Internal Chrg - Forensic Equip	Increase	5,000.00	10,000.00	15,000.00
Capital Outlay - FEMA Grant	Decrease	810,000.00	(44,760.00)	765,240.00
Salaries - Grants	Increase	-	2,272.00	2,272.00
Planning Misc Grants	Increase	-	728.00	728.00

Revised Total Resources 13,993,180.00

Revised Total Requirements 13,993,180.00

To recognize the Police Department revenue received from Polk County and appropriate an additional contribution to Forensic Equipment Reserves; to recognize and appropriate the actual FEMA grant and associated revenues and expenditures in FY 2011-2012; and to recognize and appropriate the Alliance for Community Traffic Safety mini-grant for planning safe routes to schools.

<u>FUND 02 - STREET FUND</u>		BUDGET	CHANGE	REVISED
Transfer Out - Capital Projects	Decrease	317,000.00	(134,000.00)	183,000.00
Contingency	Increase	182,767.00	134,000.00	316,767.00

Revised Total Resources 1,619,415.00

Revised Total Requirements 1,619,415.00

To recognize and appropriate changes in the Capital Improvement Projects based on estimated actuals through the end of the FY 2011-2012.

<u>FUND 03 - CIVIL FORFEITURE FUND</u>		BUDGET	CHANGE	REVISED
Other Forfeitures	Increase	-	5,000.00	5,000.00
Confidential Funds	Increase	-	2,500.00	2,500.00
Contractual Services	Increase	-	2,500.00	2,500.00

Revised Total Resources 5,000.00

Revised Total Requirements 5,000.00

To recognize potential forfeiture activity and the related uses.

EXHIBIT "A"

<u>FUND 04 - UTILITY CAPITAL IMPROVEMENT FUND</u>		BUDGET	CHANGE	REVISED
Transfer In - Wastewater Fund	<i>Increase</i>	87,900.00	50,000.00	137,900.00
Transfer In - Water Fund	<i>Decrease</i>	1,062,000.00	(740,000.00)	322,000.00
Transfer In - Stormwater Fund	<i>Decrease</i>	168,500.00	(127,000.00)	41,500.00
NASF Utility Improvements	<i>Increase</i>	-	50,000.00	50,000.00
Spring Improvements	<i>Decrease</i>	700,000.00	(600,000.00)	100,000.00
N Valley Rd Reservoir Upgrades	<i>Decrease</i>	210,000.00	(165,000.00)	45,000.00
Wellfield Improvements	<i>Increase</i>	70,000.00	25,000.00	95,000.00
Vermillion Drain to Creek	<i>Decrease</i>	152,000.00	(127,000.00)	25,000.00

Revised Total Resources 746,500.00

Revised Total Requirements 746,500.00

To recognize and appropriate changes in the Capital Improvement Projects based on estimated actuals through the end of the FY 2011-2012.

<u>FUND 05 - EMERGENCY MEDICAL SERVICES FUND</u>		BUDGET	CHANGE	REVISED
Sale of Assets	<i>Increase</i>	-	148,791.00	148,791.00
Transfer Out - Fire & EMS Equip Fee	<i>Increase</i>	20,000.00	148,791.00	168,791.00

Revised Total Resources 1,674,317.00

Revised Total Requirements 1,674,317.00

To recognize insurance proceeds from totalling of ambulance in August of 2011 and to appropriate the transfer of the proceeds to Fund 33 (Fire & EMS Fee) to purchase a replacement ambulance.

<u>FUND 06 - WASTEWATER FUND</u>		BUDGET	CHANGE	REVISED
Transfer Out - Capital Projects	<i>Increase</i>	87,900.00	50,000.00	137,900.00
Contingency	<i>Decrease</i>	3,544,221.00	(50,000.00)	3,494,221.00

Revised Total Resources 8,574,515.00

Revised Total Requirements 8,574,515.00

To recognize and appropriate changes in the Capital Improvement Projects based on estimated actuals through the end of the FY 2011-2012.

<u>FUND 07 - WATER FUND</u>		BUDGET	CHANGE	REVISED
Transfer Out - Capital Projects	<i>Decrease</i>	1,062,000.00	(740,000.00)	322,000.00
Contingency	<i>Increase</i>	2,205,173.00	740,000.00	2,945,173.00

Revised Total Resources 7,387,852.00

Revised Total Requirements 7,387,852.00

To recognize and appropriate changes in the Capital Improvement Projects based on estimated actuals through the end of the FY 2011-2012.

EXHIBIT "A"

<u>FUND 17 - STORMWATER FUND</u>		BUDGET	CHANGE	REVISED
Transfer Out - Capital Projects	Decrease	168,500.00	(127,000.00)	41,500.00
Contingency	Increase	541,599.00	127,000.00	668,599.00
Revised Total Resources		1,414,080.00		
Revised Total Requirements		1,414,080.00		
<i>To recognize and appropriate changes in the Capital Improvement Projects based on estimated actuals through the end of the FY 2011-2012.</i>				
<u>FUND 18 - STREET CAPITAL IMPROVEMENT FUND</u>		BUDGET	CHANGE	REVISED
Transfer In - Street Fund	Decrease	317,000.00	(134,000.00)	183,000.00
Transfer In - Street Development	Decrease	1,567,500.00	(360,000.00)	1,207,500.00
Bicycle Route Improvements	Increase	-	30,000.00	30,000.00
Sheridan St CPRD Project	Decrease	365,000.00	(360,000.00)	5,000.00
Pavement Rehab Phase 1	Decrease	164,000.00	(164,000.00)	-
Revised Total Resources		1,523,907.00		
Revised Total Requirements		1,523,907.00		
<i>To recognize and appropriate changes in the Capital Improvement Projects based on estimated actuals through the end of the FY 2011-2012.</i>				
<u>FUND 24 - ANIMAL SHELTER FUND</u>		BUDGET	CHANGE	REVISED
Donations - Equipment	Increase	-	5,000.00	5,000.00
Animal Shelter (NASF) Equipment	Increase	-	5,000.00	5,000.00
Revised Total Resources		383,948.00		
Revised Total Requirements		383,948.00		
<i>To recognize and appropriate revenue received for equipment purchases for the new animal shelter facility.</i>				
<u>FUND 31 - ADMIN SUPPORT SERVICES FUND</u>		BUDGET	CHANGE	REVISED
Printing & Advertising - Finance	Increase	3,400.00	3,000.00	6,400.00
Contingency	Decrease	455,825.00	(3,000.00)	452,825.00
Revised Total Resources		3,735,833.00		
Revised Total Requirements		3,735,833.00		
<i>To recognize and appropriate additional costs for advertising the 2012-2013 Proposed Budget.</i>				

EXHIBIT "A"

<u>FUND 32 - EQUIPMENT REPLACEMENT FUND</u>		BUDGET	CHANGE	REVISED
Internal Revenue - Equipment Replacement	<i>Increase</i>	108,714.00	10,000.00	118,714.00
Lease Proceeds	<i>Increase</i>	-	424,976.00	424,976.00
Capital Outlay - Forensic Equipment	<i>Increase</i>	5,000.00	10,000.00	15,000.00
Capital Outlay - Lease-GAAP	<i>Increase</i>	-	73,101.00	73,101.00
Capital Outlay - Lease-GAAP	<i>Increase</i>	-	240,000.00	240,000.00
Capital Outlay - Lease-GAAP	<i>Increase</i>	-	111,875.00	111,875.00
Revised Total Resources		2,234,374.00		
Revised Total Requirements		2,234,374.00		
<i>To recognize lease proceeds to purchase two patrol cars for \$73,101.00, a street sweeper for \$240,000.00 and two caterpillars for \$111,875.00 and to recognize the expenditure of the lease proceeds. To increase forensic equipment to account for additional funding received from Polk County.</i>				
<u>FUND 33 - FIRE & EMS EQUIPMENT FEE FUND</u>		BUDGET	CHANGE	REVISED
Transfer In - EMS	<i>Increase</i>	20,000.00	148,791.00	168,791.00
Contingency	<i>Increase</i>	55,224.00	148,791.00	204,015.00
Revised Total Resources		844,015.00		
Revised Total Requirements		844,015.00		
<i>To recognize Transfer-In from Fund 5 EMS related to insurance proceeds from ambulance crash August 2011.</i>				
<u>FUND 42 - STREET SDC FUND</u>		BUDGET	CHANGE	REVISED
Transfer Out - Capital Projects	<i>Decrease</i>	1,567,500.00	(360,000.00)	1,207,500.00
Contingency	<i>Increase</i>	1,089,492.00	360,000.00	1,449,492.00
Revised Total Resources		2,731,119.00		
Revised Total Requirements		2,731,119.00		
<i>To recognize and appropriate changes in the Capital Improvement Projects based on estimated actuals through the end of the FY 2011-2012.</i>				
Total Decrease in appropriations:			(600,202.00)	

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REQUEST FOR COUNCIL ACTION

DATE ACTION REQUESTED: May 21, 2012

Order ___ Ordinance XX Resolution ___ Motion ___ Information ___
No. No. 2012-2750 No.

SUBJECT: System development charge deferral for housing projects (Third Reading)

Contact Person (Preparer) for this Motion: Barton Brierley, AICP
Dept.: Planning and Building Director
File No.: G-12-002

HEARING TYPE: LEGISLATIVE QUASI-JUDICIAL NOT APPLICABLE

RECOMMENDATION:

Adopt **Ordinance No. 2012-2750** allowing deferral of collection of system development charges for housing projects until time of occupancy.

EXECUTIVE SUMMARY: The City Council heard this item on March 5, 2012, and March 19, 2012. At the May 19 meeting, the Council asked staff to bring the following changes forward for Council discussion.

- 1. Allow deferral for all housing projects, not just affordable housing projects.**
This change is reflected in the attached ordinance.
- 2. Create the program to be revenue neutral. It should cover administration and interest costs.**
This also is reflected in the attached ordinance. The proposal establishes a \$150.00 fee, plus the interest costs equivalent to the rate from the Local Government Investment Pool, currently about 0.6%.
- 3. Establish the program as a pilot program with a sunset provision.**
The attached ordinance establishes a sunset date of December 31, 2014. The ordinance will expire unless renewed by that date.

There were other minor changes requested, which are reflected in the ordinance. The Council asked to clarify the index for determining median household income. However, since the Council directed this be open for all housing projects, not just affordable housing projects, the household income provision is moot.



ORDINANCE NO. 2012-2750

AN ORDINANCE ALLOWING DEFERRAL OF SYSTEM DEVELOPMENT CHARGES FOR HOUSING PROJECTS AND INCLUDING A SUNSET PROVISION OF DECEMBER 31, 2012

RECITALS:

1. In May 4, 2009, the City adopted the Newberg Affordable Housing Plan by Resolution No. 2009-2843. One strategy in the plan is to consider reducing fees for affordable housing projects.
2. Newberg currently assesses all system development charges at the time of building permit issuance. Deferring payment of these fees until time of occupancy can reduce the upfront costs needed to construct the project, and may help a project to secure financing. The interest costs to the city are typically much lower than the interest costs to the developer. Deferring payment does not reduce the total amount of system development charges collected.
3. Thus, the purpose of this policy is to reduce the cost of housing by deferring payment of certain fees until time of occupancy.

THE CITY OF NEWBERG ORDAINS AS FOLLOWS:

Section 1: The following shall be added as Newberg Municipal Code 13.05.095:

13.05.095 Collection of Charge for Housing Projects

The city manager, or designee, may defer payment of system development charges until occupancy in accordance with the following provisions.

- A. Payment of the following fees may be deferred:
 1. Wastewater development charges.
 2. Water development charges.
 3. Stormwater development charges.
 4. Transportation development charges.
- B. The deferral is for construction of a new dwelling, including additions or remodels that create new dwelling units.
- C. The applicant shall enter into a development agreement with the city guaranteeing payment of the deferred fees prior to occupancy. The city shall place a lien on the property to guarantee payment of the fees.

- D. The applicant shall pay a fee for the deferral to cover city administrative and interest costs. The fee shall be established in the Permit Center Fee Schedule.
- E. The applicant shall pay all deferred fees prior to the city issuing a certificate of occupancy for the dwelling. As an exception, the city manager, or designee, may allow payment upon closing of escrow for sale of a property if that is anticipated immediately after issuance of the certificate. In no case shall the fee be deferred more than three months after issuance of the certificate of occupancy.
- F. If the applicant does not pay the deferred development charges when due, the city shall assess interest on the balance starting from the date of issuance of building permit in accordance with NMC 13.05.100.

Section 2: The initial fee for a deferral under this ordinance shall be \$150.00, payable upon application. In addition, the applicant shall pay interest accrued during the time of deferral at the city's rate of interest for deposits in the Local Government Investment Pool, payable upon collection of the deferred charges.

Section 3: This ordinance shall remain in effect until December 31, 2014, unless the City Council passes an ordinance extending it beyond that time.

➤ **EFFECTIVE DATE** of this ordinance is 30 days after the adoption date, which is: June 20, 2012.

ADOPTED by the City Council of the city of Newberg, Oregon, this 21st day of May, 2012, by the following votes: **AYE:** **NAY:** **ABSENT:** **ABSTAIN:**

Norma I. Alley, MMC, City Recorder

ATTEST by the Mayor this 24th day of May, 2012.

Bob Andrews, Mayor

LEGISLATIVE HISTORY

By and through the Affordable Housing Action Committee at the 7/14/2010 meeting.
(Note that the Council has made a number of revisions)

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REQUEST FOR COUNCIL ACTION

DATE ACTION REQUESTED: Month Day, Year

Order ___ Ordinance ___ Resolution XX Motion ___ Information ___
No. No. No. 2012-3005

SUBJECT: A resolution modifying the job classification of public works director to assistant city manager

Contact Person (Preparer) for this Motion: Dan Danicic, city manager
Dept.: Administration
File No.:

RECOMMENDATION:

Approve the resolution to modify the job classification of public works director to assistant city manager; and authorizing the reduction of contingency funding in the Water, Wastewater, Stormwater and Transportation Funds for expenses incurred in implementing this change in classification.

EXECUTIVE SUMMARY:

The Public Works Department was created a number of years ago with the city engineer/engineering division manager being promoted to public works director. To mitigate the cost impact, the city engineer position was not backfilled; rather the public works director retained supervisory responsibility of the Engineering Division. This dual role requires a unique blend of organizational management and technical skills. As a result of recent personnel management challenges, it was determined that it would be best to reinstate the city engineer/engineering division manager as a unique position distinct from the public works director. A highly qualified individual has been hired to fulfill the city engineer position. The City is now in a position to define the role of public works director in a strategic manner.

Today, the public works director manages three divisions: Engineering, Operations and Maintenance. Very experienced and capable individuals currently manage each division. Filling the position with an individual possessing stronger organizational management than technical skills will provide the leadership the department needs. The ideal individual would be one who has the potential for city management responsibility. With this level of capability, the position of public works director could be reclassified to assistant city manager and therefore provide additional benefits to the City beyond public works.

The position of assistant city manager will allow for an expansion of duties now and into the future as well as address succession of authority.

The responsibility of the assistant city manager is proposed to be the management of the Engineering, Maintenance and Operations Divisions and lead the Emergency Management Team. In the future, the assistant city manager could be responsible for Human Resources and Information Technology Departments.

Resolution No. 2008-2817 established a line of authority for times when the city manager is absent for business or may be temporarily unable to act as city manager due to injury, illness or otherwise. This resolution stated that the city attorney would act as manager pro tem followed by the public works director in the absence of the city attorney. The establishment of the assistant city manager position will facilitate the development of a chain of command to be city manager – assistant city manager – city attorney. This chain of command is only to address day-to-day operations and does not delegate hiring/firing authority. In the

event the city manager’s office becomes vacant due to resignation or dismissal, the Council would take formal action to appoint a manager pro tem. A separate resolution will be required to formally adopt this modified line of authority.

FISCAL IMPACT:

Recognizing the increased duties of the assistant city manger versus public works director positions, it is recommended that a slightly higher salary range be approved. This would also increase the quality of the candidate pool. Following is the comparison of the current and proposed position compensation:

	Monthly	Annual						Fund
2012-13 Budget	Salary	Salary	Benefits*	Total	Fund 2	Fund 6	Fund 7	17
Public Works Director	7,776	93,312	44,844	138,156	34,539	34,539	34,539	34,539
Assistant City Manager	8,500	102,000	47,272	149,272	37,318	37,318	37,318	37,318
Difference	724	8,688	2,428	11,116	2,779	2,779	2,779	2,779

* Assumes Full Family Health, PERS pickup, and OSRP PERS status

Therefore it would be appropriate to have a salary range of \$93,000.00 to \$102,000.00. This range would place the position between the finance director (\$7541.00/mo) and fire/police chiefs (\$8714.00/mo).

STRATEGIC ASSESSMENT:

Approving this reclassification will allow the city to expand the duties of the public works director now and into the future and to also establish an appropriate chain of command in the absence of the city manager without the need to create an entirely new position within the city.



RESOLUTION No. 2012-3005

A RESOLUTION MODIFYING THE JOB CLASSIFICATION OF PUBLIC WORKS DIRECTOR TO ASSISTANT CITY MANAGER

RECITALS:

1. The establishment of an assistant city manager position will provide the city with greater flexibility to assign organizational management responsibilities to appropriately qualified staff.
2. Reclassifying the Public Works Director position allows the city to obtain enhanced services without the need to create an entirely new position.
3. The initial responsibility of the assistant city manager will be to oversee the Engineering Division, Operations Division, Maintenance Division, and the Emergency Management Team.
4. With the assistant city manager position, a logical line of chain of command may be established.

THE CITY OF NEWBERG RESOLVES AS FOLLOWS:

1. The position of public works director hereby reclassified as assistant city manger.
2. The position description is by this reference incorporated and included as Exhibit "A", which is attached and by this reference adopted.
3. The annual salary range for this position is initially set to be \$93,000.00 to \$102,000.00 and is to be funded equally from the Water, Wastewater, Transportation, and Stormwater Funds.

➤ **EFFECTIVE DATE** of this resolution is the day after the adoption date, which is: May 22, 2012.

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

Norma I. Alley, MMC, City Recorder

ATTEST by the Mayor this 24th day of May, 2012.

Bob Andrews, Mayor

**CITY OF NEWBERG
POSITION DESCRIPTION**

Class Title:	Assistant City Manager	Grade Number:
Department:	Administration/City Manager’s Office	
Division:	Administration	Supervisor: City Manager
Date:	May, 2012	

I. GENERAL PURPOSE

Under general direction, functions as a Department Head to provide leadership, management, planning and goal setting and direction to the Managers of the Public Works Divisions and future management potential of the Information Services, and Human Resources departments to ensure delivery of quality municipal services. Also leads the Emergency Management Team; and serves as a member of the Executive team and as a project manager on special projects as assigned by the City Manager.

II. ESSENTIAL DUTIES AND RESPONSIBILITIES

The list of duties is a representative sample of the work appropriate to this class and does not include all the duties that may be assigned to a particular position. The incumbent may perform a combination of some or all of the following duties:

1. Supervises management staff including prioritizing and developing work plans, evaluating staff performance, monitoring progress on reports and projects, interpreting policies and procedures, making hiring and termination recommendations, making pay rate change recommendations and providing training and development for staff.
2. Represents the City with community and governmental organizations.
3. Assists the City Manager with implementing Council goals.
4. Contributes to the effective administration of city government by fostering a positive attitude among staff that encourages cooperation, coordination of efforts, efficient and ethical use of resources, and customer service orientation to the citizens.
5. Responds to requests for information from the City Manager, City Council, boards, commissions and other outside agencies including identifying information needed and report format. Acts as project manager and reviews reports prepared by staff including determining completeness and accuracy.
6. Assists with development and oversight of annual budget. Works with key staff to monitor annual operating/CIP budgets.
7. Serves as Acting City Manager when needed.
8. Performs other duties of a similar nature or level.

III. MINIMUM QUALIFICATIONS

Education, Certification, and Experience:

- A. Bachelor’s degree in Business Administration, Public Administration or Civil Engineering; and
- B. Ten (5) years related experience in a municipal environment;
- C. Or an equivalent combination of education and experience enabling the incumbent to perform the

essential functions of the position. MPA/MBA highly desirable.

Required Knowledge, Skills, and Abilities:

- A. Management theories and principles.
- B. Performance evaluation methods and reporting
- C. State and federal laws governing area of assignment
- D. Report writing
- E. Presentation techniques
- F. Problem resolution techniques
- G. Personal computers and related software applications
- H. Apply management theories and practices.
- I. Apply human resource theories and practices.
- J. Oversee work place development and implementation.
- K. Prepare budgets.
- L. Track expenditures.
- M. Write reports.
- N. Evaluate program effectiveness and best management practices.
- O. Resolve and/or mediate conflicts.
- P. Make presentations.
- Q. Promote positive public relations.
- R. Lead staff customer service efforts and maintain high standards and accountability
- S. Provide good customer service.
- T. Comply with safety requirements of the position and actively promote safe work practices.
- U. Communicate effectively with coworkers, management, elected officials and the general public, and display excellent interpersonal skills and awareness of controversial and/or sensitive issues.

IV. SPECIAL REQUIREMENTS

- A. Valid State Driver's License or ability to obtain one and ability to meet the City's driving standards.
- B. May be required to work evenings and weekends. Duties will occasionally involve dealing with distraught or difficult individuals and attending meetings or activities outside normal working hours.

V. TOOLS AND EQUIPMENT USED

Personal computer, Microsoft Office Suite, PowerPoint, database software, 10-key calculator, phone, digital audio recording equipment, copy machine, fax machine, typewriter, printer, transcription equipment, laminating machine, and scanner.

VI. PHYSICAL DEMANDS

The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Persons with disabilities may be able to perform the essential duties of this class with reasonable accommodation. Reasonable accommodation will be evaluated on an individual basis and depend, in part, on the specific requirements for the job, the limitations related to disability and the ability of the hiring department to accommodate the limitation.

Job performance includes frequent repetitive motions including, but are not limited to, hand, wrist and finger movements; daily walking, reaching, standing, talking, hearing and seeing. Exerting up to 10 pounds of

force occasionally and/or a negligible amount of force frequently or constantly to lift, carry, push, pull or otherwise move objects, including the human body. The employee must occasionally lift and move up to 35 pounds.

VII. WORK ENVIRONMENT

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions. The noise level in the work environment is usually quiet with intermittent moderately loud noises.

VIII. SELECTION GUIDELINES

Formal application, rating of education and experience, oral interview, reference check, background check, and job related tests required.

The duties listed above are intended only as illustrations of the various types of work that may be performed. The omission of specific statements of duties does not exclude them from the position if the work is similar, related, or a logical assignment to the position.

The job description does not constitute an employment agreement between the employer and employee and is subject to change by the employer as the needs of the employer and requirements of the job change.

Approval: _____
Supervisor

Approval: _____
Appointing Authority

Effective Date: May 22, 2012

REQUEST FOR COUNCIL ACTION

DATE ACTION REQUESTED: May 21, 2012

Order ___ No.	Ordinance ___ No.	Resolution ___ No.	Motion <u>XX</u>	Information ___
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SUBJECT: A Motion supporting the Local Match Funding Model for the Financing of Phase 1 of the Newberg-Dundee Bypass Project.

Contact Person (Preparer) for this Motion: Dan Danicic, City Manager
Dept.: Administration
File No.:

RECOMMENDATION: Support the proposed preliminary allocation of loan principle and repayment amounts based on the formula presented by Dundee Mayor Crawford at the Yamhill County Parkway Committee meeting held on February 29, 2012

EXECUTIVE SUMMARY:

The State of Oregon has recognized the need for the Newberg-Dundee Bypass by placing the project on a list of Transportation Projects of Statewide Significance. The Oregon State Legislature in 2009 passed HB2001 referred to as the Oregon Jobs for Transportation Act (JTA) which recognizes the economic importance of the Newberg-Dundee Bypass and specifically allocated \$192,000,000.00 to fund Phase I of the project.

The City of Newberg strongly supports and will work with the local governments of Yamhill County to provide a share of the increased revenue generated as the result of the passage of the JTA toward the funding of Phase I (Resolution No. 2011-2975).

On April 2, 2012, the Newberg City Council approved a motion directing the city manager to prepare an intergovernmental agreement for the participation of a local funding match for the Newberg-Dundee Bypass Project. Before the intergovernmental agreement is prepared, staff is requesting City Council approve the local funding match formula for Phase 1 of the bypass project that was presented in the Yamhill County Parkway Committee meeting held on February 29, 2012.

The proposed local match funding formula is based on ratios of population and JTA funding percentages as follows: County 64.21%, McMinnville 20.06%, Newberg 13.76%, Dundee 1.97%

Assuming a \$16M loan value at 3.5% interest for a period of 25 years Newberg's potential annual loan service payments would be approximately \$134,000. The amount of JTA revenue estimated for FY 12/13 is \$413,000.00.

FISCAL IMPACT: This action is to approve the local match funding model for the City of Newberg financial contribution to the Newberg-Dundee Bypass project. This motion does not establish any obligation for the city to adopt an IGA, dedicate funding for bypass construction, or incur any debt at this time. The IGA will be brought back to council for approval.

STRATEGIC ASSESSMENT: A local funding match is a key element to ensuring the successful start and completion of Phase I of the Newberg-Dundee Bypass. In order to maintain continued progress towards a 2013 ground breaking for construction, the Cities of Newberg, McMinnville, Dundee, and ODOT, and Yamhill County, must now begin the process to draft and consider the IGA in an expedited manner.

Norma Alley

From: Charlie Harris [charris@upwardaccess.com]
Sent: Wednesday, May 02, 2012 8:37 PM
To: dan.danicic@newbergoregon.go
Cc: Bob Andrews; Denise Bacon; Ryan Howard; Stephen McKinney; Bart Rierson; Marc Shelton; ade.witherspoon@newbergoregon.gov; Norma Alley; 'AMADOR Kelly L'
Subject: Bypass IGA

Dear Mayor, Council Members and City Manager:

I see that the City Council recently directed Mr. Danicic to develop an Intergovernmental Agreement (IGA) for the participation of a local funding match for the Newberg-Dundee Bypass. In doing so, I think the following issues should be considered.

1. What local resources will be required if and when jurisdiction of Hwy 99W is transferred to the city?

I recently asked ODOT's Kelly Amador the following question: "In earlier IGA's, the question of whether ODOT would turn over maintenance responsibility of Hwy 99W to local jurisdictions was deferred until some later date. Has a decision been made on that issue yet? Is this addressed in the [recently published Final Environmental Impact Study]?"

Here is Kelly's response: "it is ODOT's intention that roads that no longer serve a statewide function be controlled by the entities that they do serve. In the long run, after completion of the entire Bypass, the current alignment of OR 99W will fit that criteria as it will have a more local function within Yamhill County. At that time, we would begin conversations with the county and cities to transfer jurisdiction."

This response is an indication that ODOT does intend to transfer jurisdiction of Hwy 99W, including maintenance responsibilities, to the city, but that ODOT would prefer to delay conversations about this transfer until after the bypass is built.

However, given that the proposed IGA would require the city to commit a substantial percentage of its gas tax revenues over a number of years to construction of the bypass, shouldn't the city be questioning now whether maintenance of 99W will eventually be transferred to the city, and what the cost implications of that transfer would be? If the city is already short of road maintenance funds, will the transfer exacerbate that shortage? I understand from talking with ODOT's Tim Potter that, if ODOT does transfer jurisdiction to the city, the transfer would come with a certain amount of funding from ODOT, but it's unclear whether such funding would be sufficient to offset the full cost of maintaining the road.

2. On a related matter, ODOT has reported that gas tax revenues are lower than anticipated because people are driving less and have more efficient vehicles. (In reviewing the meeting minutes from the last council meeting, it appears that Councilor Howard raised this very concern.) In light of this trend, shouldn't the city's commitment in the proposed IGA to a contribution, if any, be of a percentage of gas tax revenues, rather than to a specific dollar amount? Otherwise the city again could be dealing with diminishing revenues to address its existing maintenance needs.

Please enter this email into the public hearing record when the proposed IGA is before the city council for action. Also, I would appreciate it if I could be notified when such public hearing is held, and when the city might again have a work session regarding the proposed IGA. Thank you.

Charlie Harris
 503-538-7350