
**City of Newberg
City Council
May 4, 2020**

Meeting held electronically due to COVID-19 pandemic

WORK SESSION

Meeting called to order at 6:00 p.m.

Councilors Present: Mayor Rick Rogers, Councilors: Gene Piros, Julia Martinez Plancarte, Patrick Johnson, Denise Bacon, Stephanie Findley, and Elise Yarnell Hollamon.

Staff Present: City Manager Dan Weinheimer, City Attorney Truman Stone, City Recorder Sue Ryan, Community Engagement Coordinator Lacey Dykgraaf, and Community Development Director Doug Rux.

PRESENTATIONS:

Elaine Howard, consultant, Community Development Director Rux and John Bridges, Chair of the Urban Renewal Citizens Advisory Committee, gave a presentation on Urban Renewal. They discussed past efforts to create an Urban Renewal District, series of plans that had been created that informed this work, Urban Renewal District boundary, work of the Citizens Advisory Committee, potential projects, statutory limitations for maximum indebtedness, real market value and assessed value numbers, financial analysis and growth scenarios, impacts on other taxing districts, preliminary project numbers and infrastructure costs, public engagement and education, timeframe of the project, and next steps.

Discussion on combined sources of funding for Urban Renewal projects other than the District, impacts on the City of Newberg's budget for 30 years, and looking at this as an investment in the City that would pay off for all the taxing districts in the future.

Mayor Rogers thanked the Citizens Advisory Committee members for their work.

BUSINESS SESSION:

Councilors Present: Mayor Rick Rogers, Councilors: Gene Piros, Julia Martinez Plancarte, Patrick Johnson, Denise Bacon, Stephanie Findley, and Elise Yarnell Hollamon

Staff Present: City Manager Dan Weinheimer, City Attorney Truman Stone, City Recorder Sue Ryan, Community Engagement Coordinator Lacey Dykgraaf, Finance Director Matt Zook, and Community Development Director Doug Rux.

Meeting called to order at 7:00 p.m.

PRESENTATIONS:

Historic Week Proclamation – Mayor Rogers read the proclamation declaring May 2020 as Historic Preservation Month.

Chehalem Valley Chamber of Commerce Report – Shannon Buckmaster, Executive Director of the Chamber of Commerce, presented the report including numbers for the Visitor Center walk-in and website visits, steady revenues, and services provided.

Discussion on the reduction of Transient Lodging Tax funding that was going to Taste Newberg, walk-in numbers going up due to the new location, statistics, and collaboration between the Chamber and Taste Newberg.

Comments: Mayor Rogers, Councilor Johnson, Councilor Yarnell Hollamon

CITY MANAGER’S REPORT:

City Manager Dan Weinheimer reported on his activities including working on the budget, Covid-19 response and programs, executive search recruiter interviews, and IT Master Plan.

PUBLIC COMMENTS & ISSUE TRACKER:

Issue Tracker – CM Weinheimer said the one item on the Issue Tracker was the Newberg flag. He suggested adding economic development to the list.

NEW BUSINESS:

1. Resolution 2020-3667, Cultural Center request

CDD Rux said the Cultural Center was making improvements to their facility and was working on getting funding for the next phase of the project, which would be second floor improvements. They were requesting a resolution of support for the funding request to the Cultural Advocacy Coalition of \$1.25 million towards the \$6 million project.

Action: Approve Resolution 2020-3667, A Resolution supporting the Chehalem Cultural Center request to the Cultural Advocacy Coalition for Capital Funding through the Oregon State Legislature Cultural Resources Economic Fund.

Motion: Councilor Findley
Second: Councilor Martinez Plancarte
Vote: 7 Yes, 0 No.

2. Resolution 2020-3665, Visit Newberg

CDD Rux said this resolution would approve the business plan and budget for Fiscal Year 2020-21 for Visit Newberg, also known as Taste Newberg. There was a change in allocation of the TLT funds. The proposed budget had allocated \$125,141, but they would actually be receiving \$104,141.

Leslie Caldwell, Executive Director of Visit Newberg, reviewed the members of the Visit Newberg Board, mission, vision, and purpose of Taste Newberg, marketing and promotion strategies, measuring success, what they had been doing the last 12 months, plan and budget for 2020-21, and effects of Covid-19 on their budget. They would be able to use carry over funds as emergency funds to balance their budget this year and next. They could survive this year with the funds they had on hand with careful spending and careful analysis of their cash flow. They were going to do all they could to bring in visitors to help with the budget.

Councilor Findley asked about the level of service local vendors were going to be able to offer. She also asked about materials for bringing in Spanish speaking travelers.

Ms. Caldwell was staying in contact with the Downtown Coalition about what local businesses were able to deliver. The clean and safe messaging was the most important thing that they could be consistent with across all entities. They were also monitoring closely the governor's phase in plans. They had not been addressing the Spanish speaker demographic.

Councilor Johnson asked about the objectives that would change to help re-start the tourism industry in Newberg. Ms. Caldwell stated it was important for them to monitor how Travel Oregon was messaging out to the community and to monitor how soon businesses could be reopened, especially hotels. Part of it was getting the messaging out early and before other entities.

Councilor Johnson asked about the current tourism strategy, especially if they were nine months out before people were comfortable going out. He thought there should be a strategy toward helping local businesses pivot to more of an online model. How could they give assistance to local folks rather than waiting for people to come back?

Ms. Caldwell said recent surveys showed people were willing to travel within a 700 mile radius in their car. She thought they needed to capitalize on that drive market in Oregon and Washington. She agreed they had to be able to pivot quickly during this time.

Councilor Yarnell Hollamon asked what other people in the industry were doing right now and what the 25 % increase in salaries was for.

Ms. Caldwell explained the 25% increase was because her job came on in May and another position came on in December and this would be the first full year of those positions. As far as what other people were doing, they were still trying to craft the strategies and next moves due to loss of revenues. Many were budgeting to be down by 50% in revenue. They were sticking with more local marketing. Consumers were not ready for hard-core marketing messaging, but wanted inspiration for when they would come visit.

Mayor Rogers was concerned about burning through the reserves in this budget. If they had \$91,000 at the end of the 2021 fiscal year and the next year they were projected to bring in \$165,000 in TLT revenue, they would still be well below the operating level that they were currently projecting.

Ms. Caldwell stated the \$165,000 was projected for year-end, but what they had budgeted was \$324,000. If they got back to the way business was, she put it in for the following fiscal year as \$320,000. That basically let them break even.

Mayor Rogers had visited the Taste Newberg website and asked why nearby city attractions were included. Ms. Caldwell said visitors did not just come to one place and including other attractions would be bring more people to the greater area to visit.

Councilor Findley had concerns about using funds to market when they were in a position where they could not deliver any services and the money could be better spent to help businesses offer things when they opened back up that would draw people to the City. She was hesitant about going into a new contract where they didn't know if there was any chance of revenue for the area.

Ms. Caldwell said this was a three year contract and they were going into year 2. Their primary obligation was to use the funds for visitor marketing and promotion. They needed to be careful to not shift it to a Chamber of Commerce or Downtown Coalition model. She did not think it was realistic to think that there would be no lodging traffic here. It was an important aspect of rebuilding the visitor economy.

Councilor Yarnell Hollamon thought as a Council they needed to discuss with the Chamber and Visit Newberg what strategies were available around tourism aligning with the City's vision document. The Council's vision shifted to incorporate feedback from the community, and it needed to be included in the business and tourism strategies.

Councilor Findley was concerned about spending a lot of money that they didn't have right now to market things they might not have or did not have available. There could be a shift to marketing vacation rentals instead of hotels that would open up sooner.

Ms. Caldwell said they did market vacation rentals as well as hotels. There was a list of visitor promotion activities that TLT funds could be spent on, and it was not in their discretion to shift it. It was critical to get the hotel lodging revenue back as soon as possible. This was a 12 month budget, and some of those months could be spent on organic activities that were not using a lot of funds and the stronger marketing and advertising could be done in the later months.

Mayor Rogers asked if things got really bad, could the programming and marketing expenses be halted. Ms. Caldwell said they could halt any further website development and any advertising. They had worked hard on the new brand and she did not want to totally shut everything down and not build the brand. The only thing that was locked in was a one year contract with a public relations agency. There was a lot that could be put in stasis if needed.

Councilor Johnson appreciated the breadth and depth of the topics, but there were no specifics about what the messaging would be. He was unsure of what the short term business plan looked like and what their message would be, especially with the situation they were in currently. He thought there needed to be a better understanding of what these funds would be used for in the next six months specific to the situation they were in. He was not comfortable voting on this tonight.

Ms. Caldwell stated she had left it fluid because it was impossible to know how to market right now and they might need to pivot going forward. If the Council wanted, she could attempt to come up with a contingency plan or state in the plan that they would pivot as much as marketing conditions allowed.

Action: Approve Resolution 2020-3665, A Resolution approving the FY 2020-2021 Visit Newberg business plan and budget.

Motion: Mayor Rogers
Second: Councilor Bacon

Deliberation:

Councilor Yarnell Hollamon clarified that Visit Newberg would pivot their marketing strategy based on the pandemic and be fiscally responsible with spending of marketing dollars.

Councilor Bacon trusted the Visit Newberg organization and the Board to make responsible decisions. They could not say today what they were going to do due to Covid-19.

Councilor Piros discussed demographics and the different ways people affected by Covid-19 were surviving economically. They did not want to miss out on any opportunities and that they would benefit marketing to those who had money and were itching to come and taste Newberg.

Ms. Caldwell said the business plan already stated there would be a phased marketing campaign based on public health recommendations due to Covid-19. Any unspent dollars would be carried over to the next fiscal year.

Vote: 5 Yes, 2 No [Findley, Johnson].

3. PRIDE Flag Presentation

CDD Rux discussed the City's current flag regulations and standards and state and federal flag protocols. He then reviewed the policy options and next steps for Council.

Mayor Rogers discussed the example from Costa Mesa and that in their commemorative flag policy they stated flag poles were not a forum for free expression by the public but for government expression.

City Attorney Stone clarified in the Costa Mesa commemorative flag policy, they did not display a commemorative flag at the request from a third party or to sponsor the expression of a third party. It would be difficult to craft a policy where the Council or staff approved or denied flying a flag based on content. It would end up creating a public forum where anyone would be able to fly a flag or pennant.

Councilor Yarnell Hollamon suggested getting community input on what flags they would want to see flown and the Council could vote on those.

Councilor Bacon thought that would be picking fights with people, especially if they denied someone else's flag, and it would become a liability issue.

City Attorney Stone said the City of Boston was taken to court over this issue. Once they opened the forum their ability to make a judgement based on the content of the speech went out the window. It became a public forum. One option was the City install a flag pole somewhere and make it open to groups who would fill out an application to reserve it and they would fly the flags. If the Council wanted to fly a commemorative type flag at the Council's instigation, they would need to have a policy similar to Costa Mesa. It would have to generate organically from the Council and not come as a request from a third party.

Councilor Piros disclosed he was a PFLAG member and financial supporter, but not a board member.

Councilor Johnson discussed options, such as resizing the flags to fit a fourth one on the flag pole or get new poles. He did an internet search when this came in the packet and the City of Boston flew the PFLAG and had flown 284 other types of flags and put up a separate flagpole for government speech. This was challenged in court and a judge in Boston ruled they didn't have to fly the Christian flag because that flag was promoting a religion. His concern was not whether they could or couldn't do it, but how. He didn't see a clear path to it.

Mayor Rogers suggested a draft proclamation for the month of June. If the community wanted a flagpole to fly many different flags, there needed to be discussions regarding funding one and a location.

Councilor Findley thought they should have a proclamation for May 22, Harvey Milk Day.

CDD Rux would bring back the proclamations on May 18. He would also set up a conversation with the community about a pole, funding, and locations.

COUNCIL BUSINESS:

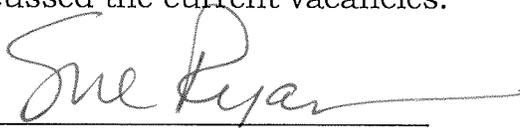
Council Committee Reports –

Mayor Rogers said community partners continued to meet weekly. He reported on the Downtown Coalition, League of Oregon Cities, County, and Chamber meetings.

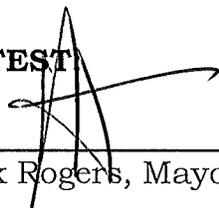
Councilor Yarnell Hollamon gave kudos to the Mayor for his public outreach and thought it should continue after the Covid-19 crisis was over.

Committee Vacancies – City Recorder Sue Ryan discussed the current vacancies.

Meeting adjourned at 9:15 p.m.



Sue Ryan, City Recorder

ATTEST


Rick Rogers, Mayor