

**Attached is an updated agenda and  
supplemental material  
for the June 2, 2014,  
city council meeting**

**Please include this in your packet:**

**Agenda  
(Replace)**

**Resolution No. 2014-3146 - Exhibit A  
(Add)**

**Resolution No. 2014-3149  
(Add)**

**Resolution No. 2014-3151  
(Add)**

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**UPDATED** - CITY COUNCIL AGENDA

**JUNE 2, 2014, 7:00 PM**

**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 recognizing the Newberg high school varsity cheerleading team as state and national champions and declaring June 2, 2014, a day in their honor.

**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 adopting **Resolution No. 2014-3139** appointing Jacque Betz as city manager effective June 16, 2014.
2. Consider a motion adopting **Resolution No. 2014-3141** stating the city of Newberg's support for the submission of a grant application to the state of Oregon's Transportation Growth Management Program for the development of a Newberg downtown revitalization plan.

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.

3. Consider a motion adopting **Resolution No. 2014-3144** approving the purchase of a replacement 2014 Caterpillar 930K front end wheel loader from Peterson cat, in the amount of \$171,249.00, minus a trade-in allowance of \$49,500.00, for a final purchase price of \$121,749.00.
4. Consider a motion adopting **Resolution No. 2014-3146** ratifying the Collective Bargaining Agreement between the City and IAFF Local 1660.
5. *Consider a motion adopting **Resolution No. 2014-3149** approving the appointment of Luke Hoogendam as temporary laborer for the public works operations department.*
6. *Consider a motion adopting **Resolution No. 2014-3151** amending the Police Association's Contract allowing vacation paid out to be placed into a VEBA account.*
7. Consider a motion approving a sound permit for the Chehalem Valley Chamber of Commerce "Tunes on Tuesday" concert series on July 8, 15, 22, 29, and August 5, 12, 19 and 26, 2014.
8. Consider a motion approving the March 17, 2014, city council meeting minutes.

### **VIII. PUBLIC HEARING**

Consider a motion adopting **Resolution No. 2014-3142** for approval of Supplemental Budget #3 for fiscal year 2013-2014.  
**(Administrative Hearing)**

### **IX. NEW BUSINESS**

Consider a motion accepting the Chehalem Valley Chamber of Commerce's second quarter report for the Visitor Information Center.

### **X. CONTINUED BUSINESS**

Consider a motion adopting **Resolution No. 2014-3135** granting a twelve-year agricultural lease to Harold Medici of land on the city's Oliver Springs property.

### **XI. COUNCIL BUSINESS**

### **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 business 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 4:30 p.m. on the preceding Wednesday. 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.

RESOLUTION NO.  
2014-3146

PLEASE SEE ATTACHED  
FOR MATERIAL TO BE  
ADDED TO THE RESOLUTION

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# **COLLECTIVE BARGAINING AGREEMENT**



**FIRE DEPARTMENT**

**For the Period**

**July 1, 2014 - June 30, 2017**

**Ratified by Resolution 2014-3146 on 06/2/2014**

Document in O:\Legal\Fire Dept\CURRENT CB Agreement Expires June 30 2017\2014-17 Union Contract.doc

## TABLE OF CONTENTS

<b>Preamble</b> .....	5
<b>Article 1 Recognition</b> .....	5
<b>Article 2 Non-Discrimination</b> .....	5
<b>Article 3 Management Rights</b> .....	5
<b>Article 4 Strikes</b> .....	6
4.1 No Strike.....	6
4.2 Union Obligation.....	6
4.3 Lockout.....	7
<b>Article 5 General Provisions</b> .....	7
5.1 Seniority.....	7
5.2 Probationary Period.....	7
5.3 Dues Check-Off.....	8
5.4 Uniforms.....	8
5.5 Promotions.....	8
5.6 Fair Share Payments.....	9
<b>Article 6 Personnel Records</b> .....	9
6.1 Files.....	9
6.2 Signature Requirement.....	9
6.3 File Purging.....	9
<b>Article 7 Leave of Absence</b> .....	10
7.1 Without Pay.....	10
7.2 Witness of Jury Duty.....	10
7.3 Family Leave.....	10
7.4 Military Leave.....	10
7.5 Bereavement Leave.....	11
<b>Article 8 Union Business</b> .....	11
8.1 Representatives.....	11
8.2 Visits.....	11

8.3	Internal Business.....	11
8.4	Bulletin Boards.....	11
8.5	Temporary Filling of Bargaining Unit Positions	11
<b>Article 9</b>	<b>Hours of Work.....</b>	<b>12</b>
9.1	Hours of Work Defined.....	12
9.2	Normal Work Schedule.....	12
9.3	Overtime.....	13
<b>Article 10</b>	<b>Compensation.....</b>	<b>14</b>
10.1	Wages.....	14
10.2	Insurance.....	16
10.3	Retirement.....	18
10.4	Disability Insurance.....	18
10.5	Life Insurance Benefit.....	18
10.6	Longevity Pay.....	19
<b>Article 11</b>	<b>Discipline.....</b>	<b>19</b>
11.1	Standard.....	19
11.2	Probationary Employee.....	19
11.3	Imposition.....	19
11.4	Due Process.....	19
11.5	Just Cause Standards.....	20
<b>Article 12</b>	<b>Grievance Procedure.....</b>	<b>20</b>
12.1	Procedure.....	20
12.2	Arbitration.....	21
12.3	Time Limits.....	22
12.4	Termination of Grievance.....	22
<b>Article 13</b>	<b>Vacation.....</b>	<b>23</b>
13.1	Accrual.....	23
13.2	Maximum Accrual.....	23
13.3	Scheduling.....	23
13.4	New Hires.....	23
<b>Article 14</b>	<b>Holidays.....</b>	<b>24</b>
14.1	Veteran's Day.....	24
<b>Article 15</b>	<b>Sick Leave.....</b>	<b>24</b>

15.1	Accrual.....	24
15.2	Utilization.....	24
15.3	Integration with Worker’s Compensation.....	25
15.4	Notification.....	25
15.5	Unused Sick Leave Credit upon retirement, Total Disability, or Death.....	25
15.6	Sick Leave Incentive.....	25
<b>Article 16</b>	<b>Expedited Bargaining.....</b>	<b>26</b>
<b>Article 17</b>	<b>Savings Clause.....</b>	<b>26</b>
<b>Article 18</b>	<b>Term of Agreement.....</b>	<b>26</b>
18.1	Term.....	26
18.2	Wage Opener.....	27
<b>Article 19</b>	<b>Residency Requirement.....</b>	<b>27</b>
<b>Article 20</b>	<b>Health and Wellness.....</b>	<b>27</b>
<b>Appendix A</b>	<b>Wage Plan.....</b>	<b>28</b>

**PREAMBLE**

This Agreement is entered into by and between the City of Newberg, hereinafter referred to as the "City," and the International Association of Firefighters, Local 1660, hereinafter referred to as the "Union" and is the full and complete agreement between the parties.

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**ARTICLE 1 - RECOGNITION**

The City recognizes the Union as the exclusive bargaining representative for all full-time, paid fire suppression, inspection, prevention and firefighter/paramedic employees, excluding all volunteers and all part-time, temporary, casual, managerial (including Division Chiefs) and confidential employees.

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**ARTICLE 2 - NON-DISCRIMINATION**

The City and the Union agree that each will fully comply with all applicable laws and regulations regarding discrimination against any employee or applicant for employment because of such person's race, religion, color, national origin, mental or physical disability, sex, age, union affiliation or other status protected by state or federal law. Any references to gender in the Agreement include both genders. The parties agree that nothing in this Agreement will interfere with or restrict the City in its obligation to accommodate individuals with disabilities under federal and state law. Any disputes regarding this article may be resolved through the grievance procedure, but will not be subject to the arbitration process.

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**ARTICLE 3 - MANAGEMENT RIGHTS**

Except as otherwise specifically limited by the terms of this Agreement, the City retains all of the customary, usual and exclusive rights, prerogatives, functions and authority connected with, or in any way incident to, its responsibility to manage the affairs of

the City or any part of it. Without limitation, but by way of illustration, the exclusive prerogatives, functions and rights of the City will include the following:

- a. To direct and supervise all operations, functions and policies of the divisions employing the persons in the bargaining unit.
- b. To manage and direct the work force, including, but not limited to, the right to:
  - i. Determine the methods, processes and manner of performing work;
  - ii. Hire, promote, and retain employees;
  - iii. Determine work schedules and;
  - iiii. Purchase, dispose of and assign equipment and supplies;
- c. To determine the need for a reduction or an increase in the work force;
- d. To establish, revise and implement standards for hiring, classification, promotion, equipment, materials, and quality of work; and
- e. To implement new as well as to revise or discard, wholly or in part, old methods, procedures, materials, equipment, facilities and standards.

Utilization of any management rights not specifically limited by this Agreement will be at the City's discretion and not subject to negotiation or the grievance procedure, except as otherwise guaranteed by ORS 243.650 through 243.782.

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## **ARTICLE 4 – STRIKES**

### **4.1 No Strike**

The Union and its members, as individuals or as a group, will not initiate, cause, participate or join in any strike, work stoppage, or slowdown, or any other restrictions of work, at any location in the City while on duty during the term of this Agreement. Employees in the bargaining unit, while acting in the course of their employment and to maintain the continuity of essential services, will not honor any picket line established by the Union or by any other labor organization when called upon to cross picket lines in the line of duty. Disciplinary action, including discharge, may be taken by the City against any employee or employees engaged in a violation of this article.

#### **4.2 Union Obligation**

In the event of a strike, work stoppage, slowdown, picketing, observance of a picket line, or other restriction of work in any form either on the basis of individual choice or collective employee conduct, the Union will immediately, upon notification, attempt to secure an immediate orderly return to work.

#### **4.3 Lockout**

There will be no lockout of employees in the unit by the City during the term of this Agreement.

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### **ARTICLE 5 - GENERAL PROVISIONS**

#### **5.1 Seniority**

Seniority will be established from the last date of hire and continue to accrue during all paid time in the bargaining unit.

Seniority will be terminated if an employee:

- a. Resigns;
- b. Is discharged for just cause;
- c. Is laid off and fails to respond to a written notice of recall;
- d. Is laid off work for a period of time greater than 18 months or a period of time equal to the employee's seniority, whichever is shorter;
- e. Is retired, or;
- f. Takes an approved leave of absence for 12 months or greater.

Seniority by classification for a regular employee will prevail in the case of lay-off or rehire where qualifications are equal, regardless of budgetary designation. The last employee hired will be the first employee laid off and the last employee laid off will be the first employee rehired. If there is any question of any senior employee being qualified to perform the work available in the case of layoff and rehire, the City's determination will not be arbitrary or capricious.

In the event of layoffs occurring at the rank of officer level, those employees will have the opportunity to “bump” down to the next lower level provided they are qualified for that position and have seniority over those at that lower level.

## **5.2 Probationary Period**

Every employee hired into the bargaining unit will serve a probationary period of 365 days from date of hire, ending at 11:59 P.M on the 365<sup>th</sup> day. If the employee is on duty on the 365<sup>th</sup> day, their probation will end at the end of their assigned shift. The Union recognizes the right of the City to terminate or discipline probationary employees for any reason, with or without cause, and any such discipline will not constitute a violation of this Agreement, and will not be subject to the grievance procedure.

**5.2.1 Probationary Period Extension.** The City in its sole discretion may extend the probationary period not to exceed an additional three (3) months, if the employer determines that such extension is appropriate to determine whether the employee is qualified to do the work. In such event, the City will notify the employee of such extension in writing no later than fourteen (14) calendar days prior to the end of the probationary period.

## **5.3 Dues Check-off**

The City agrees to deduct and remit the uniformly required Union membership dues and other authorized fees or assessments from each employee’s monthly paycheck who have authorized such deductions in writing. The Union will inform the City in writing of any changes in the amount of the dues.

## **5.4 Uniforms**

The City will provide all necessary duty uniforms to the members of the Union at no cost to the members in accordance with Newberg Fire Department Operational Guidelines.

### **5.5 Promotions**

The City will hold in-house promotional exams for any positions covered under this labor Agreement whenever at least three (3) qualified candidates meet the minimum requirements for the vacant position and qualify through a bona fide testing process at a “passing” level. Whenever multiple positions are available, there must three (3) qualified candidates for openings, and one (1) additional qualified candidate for testing for each vacant position. Example: If there are three (3) vacant positions available, then there must be three (3) qualified candidates plus one (1) qualified candidate for each additional vacant position for a total of five (5) qualified candidates available for selection for the three (3) vacant positions available.

### **5.6 Fair Share Payments**

The City and the Union agree that a “Fair Share” agreement exists for all members of the bargaining unit and includes all new employees after thirty (30) days of employment.

The parties agree that the provisions of ORS 243.666 regarding fair share will be applied to all employees in the bargaining unit who decline membership in the Union and that the Union will inform those employees of their obligation to pay Union membership dues or fair share contribution.

An individual employee who does not join the Union and objects to paying fair share to the Union on bona fide religious tenets or teachings of a church or religious body of which such employee is a member will not be required to pay dues or fair share payments; but such employee will be required to pay an amount equivalent to fair share to a non-religious charity or to another charitable organization mutually agreed upon by said employee and the Union. The employee will furnish written proof to the City and the Union that this has been done.

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## **ARTICLE 6 - PERSONNEL RECORDS**

### **6.1 Files**

Employees may inspect the contents of their personnel file, except for confidential reports from previous employers, in the presence of an authorized City representative.

### **6.2 Signature Requirement**

No information reflecting critically upon employees will be placed in their personnel files that do not bear their signature. Employees will be required to sign such material to be placed in their personnel file with the understanding their signature does not indicate agreement.

### **6.3 File Purging**

Upon request of the employee, written warnings will be removed from their personnel file after three (3) years, as long as no warnings or discipline occurred within that time period.

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## **ARTICLE 7 - LEAVE OF ABSENCE**

### **7.1 Without Pay**

The City will consider a written application for leave of absence without pay. The written application must describe the reason for the request and contain a specified date at which the employee is expected to return to work. In the event of an emergency which requires the employee to return to work, the City may terminate or cancel such leave by ten (10) days written notice, mailed to the address given by the employee on his/her written application for such leave. Notice that the employee has accepted permanent employment or entered into full-time business or occupation may be accepted by the City as a resignation.

Any employee who is granted a leave of absence without pay under this section and who for any reason fails to return to work immediately upon the expiration or termination of said leave of absence will be considered as having resigned his/her position. Employees

who are on leave without pay for any reason will not accrue any benefits unless otherwise specified in this Agreement.

**7.2 Witness or Jury Duty**

Employees will suffer no loss of pay as a result of a requirement to serve on a jury or in the event they are subpoenaed to be a witness in a matter resulting from their official duties with the City. In the event an employee is subpoenaed for something other than that described herein, the City will allow time off without pay or the employee may use vacation or comp time. If the employee is released from jury duty early, they will return to work. All compensation, less mileage, will be transferred to the City.

**7.3 Family Leave**

The City will allow family leave in accordance with federal and state law.

**7.4 Military Leave**

Military leave will be granted in accordance with state and federal law.

**7.5 Bereavement Leave**

In the event of a death in the employee's immediate family, an employee may be granted leave with pay up to forty-eight (48) hours to the members assigned to a twenty-four (24) hour shift with the Fire Chief's approval. Immediate family includes current spouse, children, stepchildren, parents, parents-in-law, siblings, and grandparents. In the case of a close friend or relative other than those listed, the employee may be given the time necessary to attend the funeral.

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**ARTICLE 8 - UNION BUSINESS**

**8.1 Representatives**

The Union will notify the City, in writing, of the names of its representatives.

## **8.2 Visits**

Union representatives, other than City employees, may visit with employees during breaks, meal periods, or after normal working hours. Employee representatives are not required to provide notification. Visits outside of those allowed for above, may be granted only with the expressed approval of the Fire Chief or a designee and will not disrupt the workflow.

## **8.3 Internal Business**

The internal business of the Union will only be conducted outside normal working hours.

## **8.4 Bulletin Boards**

Bulletin board space will be provided the Union for posting meeting notices and other information of interest to its members.

## **8.5 Temporary Filling of Bargaining Unit Positions**

When a position that is in the bargaining unit becomes temporarily vacant for a period longer than two (2) months, the City will enter into discussion with the Union.

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# **ARTICLE 9 - HOURS OF WORK**

## **9.1 Hours of Work Defined**

Hours worked will be comprised of all of the hours during which an employee is necessarily required to be on the City's premises on duty or at a prescribed work place. Time spent in conducting bona fide volunteer activities are not to be considered hours worked. Paid regular hours, vacation leave, sick leave, compensatory, and jury duty leave are hours worked for purpose of calculating overtime.

## **9.2 Normal Work Schedule**

Employees shall work a minimum of every 24 of 72 hours (24/48 model) as

assigned to a regular 24 hour shift (A, B or C) with the exception of approved leave (vacation, sick, jury duty etc.). Within the 24/48 model employees work an average of a 56 hour work week for a total of 2912 hours per year.

**9.2.1 Minimum Staffing.** The Department will operate with a minimum of 18 collective bargaining members (12 firefighters and 6 officers). A minimum of 6 collective bargaining members shall be compensated at their prescribed rate in a 24 hour period.

The Department will attempt to maintain six (6) and will maintain no less than four (4) collective bargaining personnel on duty at all times.

The Department will enter into discussion with Union representatives regarding circumstances that would adversely affect its ability to maintain minimum staffing to reach a mutually agreed decision. Again, the goal is to maintain six union members on duty, however, it is understood that unforeseen circumstances (lengthy sick time, flu season, FMLA leave, etc.) may put a burden on NFD, the city budget, and the Union members. Under these circumstances, discussions between NFD and the Union will be conducted, and temporary use of management and/or part-time staff will be utilized to ensure adequate shift coverage, and sustainability of the budget. It is also understood that NFD will remain flexible and give open consideration to personnel time-off requests as the budget allows. To allow for additional flexibility, management and part-time staff may be used to fill time-off requests if all other Union members have been asked and declined.

### **9.3 Overtime**

All time worked in excess of 212 hours in a 28-day period (overtime) must be approved by the Fire Chief or a designee. Employees will be compensated overtime at a rate of 1.5 times their **normal hourly rate**.

156 hours of the 2912 normal work schedule hours shall be compensated as overtime. Employees that work a shift that exceed 2912 hours in a calendar year as part of their normal work schedule will be compensated overtime for those hours in December's pay period.

**9.3.1 Emergency Callback.** “Emergency callback” is considered compensable overtime under this agreement when an employee is off duty and is authorized or required to respond back to the department for a reported emergency or emergency staffing request.

When an employee works emergency callback, they will be compensated for a minimum of two (2) hours. Additional assignments before returning to off-duty status will be compensated as an extension of the original callback. Additional assignments after returning to off-duty status will be compensated with an additional two (2) hours minimum, unless the callback occurs within the previous two (2) hour time frame.

Overtime compensation for hold-over from any scheduled shift or after the first two hours of an emergency callback will be earned in 15 minute increments.

**9.3.2 Comp time.** Overtime can be accrued as compensatory time (comp time) at one and one half (1-1/2) times the hours worked. Maximum accrual of comp time will be one hundred (100) hours. All overtime not accrued as comp time will be compensated at a rate of one and one half (1-1/2) times the employee’s **normal hourly rate**. Comp time may be scheduled in accordance with Article 13.3.

**9.3.3 Paid Education/Training.** When an employee attends an approved class, seminar, or any other educational event that is required to maintain a job certification, the employee will be paid for the duration of the event and will be

reimbursed for mileage at the standard mileage rate if the need for travel becomes necessary.

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## ARTICLE 10 - COMPENSATION

### 10.1 Wages

Effective July 1, 2014, through the term of this contract, the wage plan will be as stated in Appendix A.

Wages will be factored based upon 2756 hours per year. The following positions will be recognized by and apply to this CBA. The wages for each position will be established by a subsequent percentage above the previous position.

1. Firefighter/EMT (FF)- Base
2. Firefighter/Paramedic (FFP)- 10% above FF
3. Lieutenant/Paramedic (LTP)- 15% above FFP

#### Hourly Rate Descriptions:

**Base Hourly Rate** - Established for the FF/EMT position and used as the basis for wage calculations for all other positions within this CBA. It shall be factored by dividing the yearly salary by 2756.

**Adjusted Hourly Rate** – The **base hourly rate** plus built-in overtime (156 hours per year). It is used to factor incentives and secondary duty assignments. This rate is based on current staffing levels.

**Normal Hourly Rate** – The **adjusted hourly rate** plus any applied incentives and secondary duty assignments. It is used to factor overtime.

**10.1.1 Incentives.** In addition to the wage plan, an employee who meets the City's criteria for the following incentives will receive the incentive as designated below. All incentives and secondary duty assignments are non-accumulative, but can be added together between different categories. All incentives are based and applied to the employee's **adjusted hourly rate**.

- a. Bilingual: Bilingual employees in a language which is necessary and used on the job will receive a five percent (5%) incentive. An example of such a language is Spanish. City will administer the bona fide test.
- b. Paramedic Preceptor: Employees acting as a paramedic preceptor will receive a three percent (3%) incentive. The incentive will begin the

first shift working with the intern and continue until the end of the pay period that the internship is completed. Employees covering a preceptor's shift are not eligible for the incentive.

NFD will normally allow only two (2) interns, which require paramedic preceptors at any one time. Thus, only two (2) employees will be eligible for paramedic preceptor incentive at any one time. However, under unusual circumstances for the benefit of the City and with the approval of the Fire Chief, there may be approval of training of more than two (2) interns at any one time, which would require more than two (2) paramedic preceptors. In such case, the City would pay each paramedic preceptor the three percent (3%) incentive.

c. Apparatus Operator (applies only to the Firefighters' positions):

Employees who are qualified as Apparatus Operators by NFD as outlined in the NFD Operating Guidelines will receive a six percent (6%) incentive.

Those employees currently receiving five percent (5%) incentive under the current contract (dated July 1, 2009) will receive six percent (6%) starting July 1, 2014. Employees receiving less than five percent (5%) will continue to receive incentive pay at their current level (based on the contract dated July 1, 2009) until those employees complete the necessary training and receive certification as outlined above to receive six percent (6%) incentive.

d. Acting-In-Capacity (AIC): Firefighters who have passed the examination process and are qualified for promotion to lieutenant and have been designated as AIC by the NFD will be paid a seven and one half percent (7.5%) incentive for hours worked when a minimum of six (6) hours has been spent at one time in the capacity of lieutenant. When the six (6) hour minimum is reached, the incentive is applied to all hours worked by the AIC as lieutenant.

- e. Technical Rescue: Employees qualified in a technical rescue skill as outlined in the NFD Operating Guidelines, and recognized by NFD, will receive a three percent (3%) incentive. For each subsequent technical rescue skill achieved per the above requirements, employees will receive an additional one percent (1%) incentive.

**10.1.2 Secondary Duty Assignment.** Secondary duty assignments are intended to assist NFD with important operational programs that would otherwise require significant cost to the City. Secondary duty assignments will be approved by the Fire Chief and may not always be filled.

Selection of individuals for these assignments will be based upon a bona fide internal process developed by Union and management. Each assignment has a duration of two (2) years, but management may extend up to one (1) year. The process for placing employees in one of these assignments is not applicable to the promotional process as outlined in Article 5.5.

Secondary duty assignment responsibilities will be outlined in a job description developed by NFD. Employees will be on a one (1) year probation and can be removed from the assignment without due process and not subject to the grievance process, during the probationary period.

The following secondary duty assignments are currently recognized by NFD and are compensated at the listed percentage applied to the employee's **adjusted hourly rate**:

1. Fleet Maintenance and Repair Coordinator: one (1) person – 6%
2. Assistant Training Officer: one (1) person – 5%

**10.1.3 Payroll.** Employees will be paid using the current payroll process used by the City. Employees will be paid for hours worked in a payroll period. Overtime will be paid to the employee in the payroll period worked.

## 10.2 Insurance

The City will continue to make available medical, dental, and vision insurance which is significantly similar to the current health insurance subject to the following provisions:

- a. Premium contributions: The Union agrees that the City's contribution to the premiums will be ninety percent (90%), with the remaining ten percent (10%) to be contributed by the employee. The City will continue to make all good faith efforts to allow the employee to pay the contribution as a pretax contribution.
- b. Insurance Plan and Cost Increase Cap: The Union will receive medical, dental and vision benefits through The Northwest Firefighters Relief Association, ("The Trust") and agrees that the benefits received through The Trust are significantly similar to the current health insurance benefits. The City shall pay to The Trust \$1,209.00 per month ("the premium") for each member of the bargaining unit in installments as directed by The Trust. The premium is subject to the contribution/split as stated in the above paragraph. The City shall pay the premium plus any increase in the premium amount of fifteen percent (15%) or less each year of the Agreement subject to the contribution/split. If the increase in premium amount exceeds fifteen percent (15%) annually, the City and Union member will contribute/split the amount of the premium exceeding fifteen percent (15%) by each party paying fifty percent ( 50 %) of the amount exceeding fifteen percent (15%.) The Union will make its best effort to have The Trust notify the City of any increase in premiums in a timely fashion for budgetary purposes.
- c. Termination bargaining: If the insurance carrier informs the City of the intent to terminate the benefit plans currently in effect, the City will notify the Union in writing and the parties will negotiate over the termination of the benefit plans. The Union has fourteen (14) calendar days after receiving notice from the City to demand in writing to bargain. If the Union does not provide such notice, the Union waives its right to bargain over the change or the impact of the change identified in the notice. The parties may mutually agree in writing

to a bargaining period other than the ninety (90) days as specified in the statute.

- d. Extension coverage: If the insurance carrier has not provided the requisite notice for the parties to comply with statute, the City will first seek to extend the current coverage to cover the negotiations and the implementation of an

alternative plan. If the insurance carrier fails to provide such extension coverage as set out above, the City may implement, without penalty, an available plan consisting of similar benefits. The employer will make a good faith effort to find a plan acceptable to the Union.

- e. Replacement plan subject to cost-sharing: The replacement insurance plan benefits are not required to be equal to the terminated plan, nor will the employer be obligated to provide a plan that provides the same benefits at the same level as the terminated plan. The employer will not be obligated to buy a more expensive plan that provides benefits equal to, substantially equal to, or at the same level as the terminated plan.

**10.2.1 VEBA Accounts.** The City will contribute one hundred eighty-five dollars (\$185) monthly to each employee's VEBA account. Additionally, the City will continue to defer fifty dollars (\$50) pretax from each employee's salary to the VEBA account as per the request from the Union on January 16, 2008. This deferral cannot be changed without a vote of the Union and agreement of the City. No individual member may request to stop or rescind the additional VEBA contribution.

### **10.3 Retirement**

The City agrees to maintain all current employees in the PERS system. The City agrees to place new employees into the PERS system. The City will pay on behalf of the employee six percent (6%) of his/her salary as contributions to the retirement plan.

### **10.4 Disability Insurance**

The City will maintain current disability insurance for members of the Union.

**10.5 Life Insurance Benefit**

The City will provide employees a group term life insurance policy valued at 1.5 times the base firefighter salary with a \$150,000 maximum.

**10.6 Longevity Pay**

Each member of the bargaining unit will be eligible to receive additional pay to encourage employment longevity with the City. The additional pay will begin the first full month after the eligible length of service is completed and will be paid into a City-approved deferred compensation plan. If the City has more than one plan, the employee may select the plan of choice. After ten (10) full years of employment, the additional pay will be paid based on the following schedule:

11 through 15 Years	\$ 40 per month
16 through 20 Years	\$ 60 per month
20+ Years	\$ 100 per month

.....

**ARTICLE 11 - DISCIPLINE**

**11.1 Standard**

No employee will be disciplined or discharged except for just cause. Oral or written warnings are not considered to be discipline and may not be protested through the grievance procedure.

**11.2 Probationary Employee**

This article will not apply to any employee on probation as defined in ARTICLE 5 - GENERAL PROVISIONS, 5.2 Probationary Period.

**11.3 Imposition**

If the City has reason to discipline an employee, the City will make reasonable effort to impose such discipline in a manner that will not unduly embarrass the employee before other employees or the public.

#### **11.4 Due Process**

In the event the City believes an employee may be subject to discipline greater than a written reprimand, the following procedural due process will be followed prior to the issuance of any discipline:

- a. The employee will be notified, in writing, of the charges or allegations that may subject him/her to discipline.
- b. The employee will be notified, in writing, of the disciplinary sanctions being considered.
- c. The employee will be given an opportunity to refute the charges or allegations either in writing or orally in an informal hearing.
- d. At his/her request, the employee will be entitled to Union representation at the informal hearing.

#### **11.5 Just Cause Standards**

For the purpose of this Agreement, just cause will be determined in accordance with the following guidelines:

- a. The employee will have some warning of the consequences of the conduct, unless the conduct is of such a nature that no prior warning is necessary in the eyes of a reasonable person.
- b. If a rule or order is the subject of the alleged misconduct, it must be reasonable and applied even handedly.
- c. The City must conduct a reasonable investigation.
- d. It must be determined, by a preponderance of evidence, that the employee is guilty of the alleged misconduct or act.
- e. The discipline must be appropriate based on the severity of the misconduct or the actual or likely impact the misconduct has or would have on the employer's operation.

- f. The employee's past employment record will be considered, if appropriate, based on the severity of the act.

•••••

## ARTICLE 12 - GRIEVANCE PROCEDURE

### 12.1 Procedure

For the purpose of this agreement, a grievance is defined as a dispute about the meaning or interpretation of a particular clause or an alleged violation of the Agreement.

Grievances must be presented within ten (10) days from the occurrence of the event from which the grievance stemmed or the employee's knowledge thereof. The grievance will be reduced to writing and signed by the employee or the Union and will include a statement of the grievance, the facts upon which it is based, and the section of the Agreement to which the grievance relates.

#### **Step 1**

A copy of the grievance will be forwarded to the Fire Chief, who will, within fifteen (15) calendar days of his receipt of the grievance, render a decision after meeting with the aggrieved employee and/or the Union representative. If the grievance is not resolved, the employee will, within ten (10) calendar days of the Fire Chief's decision, proceed to Step 2.

#### **Step 2**

The grievance, along with all pertinent written information will be submitted to the City Manager. The City Manager will meet with employee and/or the Union representative and the aggrieved and will render a decision within fifteen (15) calendar days of receipt of advancement of the grievance to Step 2. If the City Manager's decision does not resolve the grievance it will be processed as outlined in Step 3 within ten (10) calendar days of the City Manager's decision.

**Step 3**

A list of seven (7) arbitrators will be requested from the Employment Relations Board and the parties, beginning with the Union, will alternately strike one (1) name until one (1) person is left.

**12.2 Arbitration**

The arbitrator will have the authority to issue subpoenas, examine witnesses and documentary evidence, administer oaths and affirmations, and regulate the course of the arbitration hearing. The arbitrator will have no power to modify, add to or subtract from the terms of this Agreement and will be confined to the interpretation and enforcement of this Agreement. The arbitrator's decision will be in writing and will be submitted to the parties within thirty (30) days following the close of the hearing. The arbitrator's decision will be final and binding on the affected employee(s), the Union, and the City.

Either party may request the arbitrator to issue subpoenas but, if issued, the cost of serving the subpoena will be borne by the party requesting the subpoena. Each party will be responsible for compensating its own witnesses and representatives during the arbitration hearing. The parties will share the arbitrator's fees and expenses.

**12.3 Time Limits**

All parties subject to these procedures will be bound by the time limits contained herein. If either party fails to follow such limits, the following will result:

- a. If the grievant fails to respond in a timely fashion, the grievance will be deemed waived.
- b. If the City at any step, fails to respond in a timely fashion, the grievance will proceed to the next step.

**12.4 Termination of Grievance**

A grievance may be terminated at any time upon receipt of a signed statement from the party filing the grievance that the matter has been resolved.

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## **ARTICLE 13 – VACATION**

### **13.1 Accrual**

Full-time employees will accrue vacation from date-of-hire, on a monthly basis, according to the following schedule:

<b>YEARS OF SERVICE</b>	<b>ACCRUAL AMOUNT (PAY PERIOD)</b>
UP TO 5 YEARS	12 HOURS (288 MAXIMUM)
5 BUT LESS THAN 10	17.0 HOURS (408 MAXIMUM)
10 BUT LESS THAN 15	20.0 HOURS (480 MAXIMUM)
15 BUT LESS THAN 20	24.0 HOURS (576 MAXIMUM)
20 OR MORE	26.0 HOURS (624 MAXIMUM)

**13.2 Maximum Accrual**

Employees may not maintain a vacation balance greater than twice their annual accrual.

**13.3 Scheduling**

Vacations will be scheduled at the discretion of the Fire Chief or his designee, but with due consideration to the desires of the employees.

**13.4 New Hires**

New hires will not be eligible for vacation leave during their first six months of employment.

.....

**ARTICLE 14 - HOLIDAYS**

Employees will accrue holiday time off at a rate of twelve (12) hours per month worked. Employees will work on holidays as scheduled unless they are off on approved leave. Employees have the option of either using their accrued holiday time anytime during

the year or cashing out the unused balance. Unused balances will be cashed out on December 31st of each year at employees' **normal hourly rate** (excluding AIC and paramedic preceptor incentive pay). Holiday time cannot be carried forward to the next year.

Employees may take a one-time special draw on December 15<sup>th</sup> in an amount not to exceed their accrued holiday pay. Employees will be given a Draw Form by December 1<sup>st</sup> to be completed and turned in to Finance (Payroll) by December 8<sup>th</sup> in order to receive this draw. Finance will provide the Fire Chief with a list of Union members showing available holiday pay.

#### **14.1 Veteran's Day**

Pursuant to ORS 408.225, Veteran employees are allowed to take time off in observance of Veteran's Day, but must submit notice within twenty-one (21) days prior to their supervisor. Supervisors must respond within fourteen (14) days. The time off does not have to be on the actual holiday. These employees are entitled to eight (8) hours of paid time off.

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### **ARTICLE 15 - SICK LEAVE**

#### **15.1 Accrual**

Employees will accrue sick leave at the rate of thirteen (13) hours per month. Maximum sick leave accrual is 1,400 hours. Sick leave will not accrue during unpaid leaves or layoff.

#### **15.2 Utilization**

Sick leave may be used for non-occupational illness or injury, for appointments with doctors or dentists, etc., or to care for an immediate family member who is ill and living with the employee.

### **15.3 Integration with Worker's Compensation**

In case of an injury or illness qualifying for Workers Compensation payments, employees may supplement any Workers compensation payments received using sick leave accruals to equal the regular take home pay of the employee, as long as enough sick leave is accrued to equal that payment. Employees electing to supplement Workers Compensation payments must turn in such payments to payroll in exchange for a regular payroll check for the period in question. Normal payroll deductions will be taken from the paycheck received from the City as long as sufficient dollars amounts are available.

### **15.4 Notification**

In the event an employee is ill or cannot report as scheduled, he\she must report the reason for absence within 30 minutes of the start of their I scheduled workday. Sick leave with pay will not be allowed unless proper notification has been given except where such notification was not possible for a valid reason. The City may require a written doctor's certification verifying any use of sick leave.

### **15.5 Unused Sick Leave Credit upon Retirement, Total Disability or Death**

For all current and new employees, upon retirement, total disability or death, the City will report one hundred percent (100%) of the employees' accumulated unused sick leave (sick leave balance) to PERS for the purpose that PERS will, in accordance with the procedure established by the board, credit to the employees' final average salary computations for determining benefits for the monetary value of fifty percent (50%) of the accumulated unused sick leave (sick leave balance) in accordance with state laws and the rules of PERS, if allowable by state law.

### **15.6 Sick Leave Incentive**

Union members are eligible to receive the same sick leave incentive benefit as non-represented employees as set out in the City of Newberg Personnel Manual. Union members will only receive this incentive if it is also given to the rest of the City employees.

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**ARTICLE 16 – EXPEDITED BARGAINING**

In the event the City desires to amend or modify or change the status quo concerning an issue that it believes is a mandatory subject of bargaining or that has a mandatory impact, the City will provide the Union with written notice of the proposed change. The Union will have fourteen (14) days to object in writing and orally to the person proposing the change or their designee. The Union's written objection will specify the nature of the objection. Failure of the Union to object in writing to the proposed change within fourteen (14) days of the notice provided for above will serve as a waiver of the Union's right to bargain. Thereafter, the parties will bargain in good faith over said changes for a period not to exceed thirty (30) days. If after the passage of thirty (30) days, the parties have not reached agreement; either party may declare an impasse and initiate interest arbitration pursuant to ORS 243.746.

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**ARTICLE 17 – SAVINGS CLAUSE**

Should any provision of this Agreement be found by a court of competent jurisdiction or any administrative agency having jurisdiction to be in violation of any federal or state law, the remainder of the provisions of this Agreement will be considered as severable and remain in full force and effect for the duration of this Agreement. The parties agree to meet and negotiate as soon as reasonably possible for a substitute to any provision declared in violation of federal or state law, if substitution is possible.

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**ARTICLE 18 – TERM OF AGREEMENT**

**18.1 Term**

This Agreement will be effective on July 1, 2014, and will remain in effect through June 30, 2017. This Agreement will automatically be renewed from year to year thereafter, unless by January 1<sup>st</sup> of the expiring year of the agreement either party gives written notice to the other of their intent to negotiate a successor agreement.

**18.2 Wage Opener**

In March of 2015, both parties agree to bargain over a potential wage increase only, for the duration of the contract.

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**ARTICLE 19 – RESIDENCY REQUIREMENT**

No residency requirement.

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**ARTICLE 20 – HEALTH AND WELLNESS**

In order to help promote employee health improvement, employees will be given the opportunity to exercise approximately sixty (60) minutes during business hours, at the discretion of shift supervisor, as long as it does not interfere with responses or routine duties. The City will strive to obtain and maintain equipment in order to encourage this program.

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This Agreement is executed on this \_\_\_\_\_ day of June, 2014, by the under-  
signed:

**CITY OF NEWBERG**

**IAFF LOCAL 1660**

Ratified by vote of Union Members

\_\_\_\_\_  
Jacque Betz, City Manager  
By Authority of Resolution No. 2014-3146  
Adopted on June 16, 2014

\_\_\_\_\_  
Chris Tompkins  
Secretary,  
IAFF Local 1660

\_\_\_\_\_  
Michael Sherman  
Shop Steward

**APPROVED AS TO LEGAL SUFFICIENCY:**

\_\_\_\_\_  
Truman A. Stone, City Attorney

\_\_\_\_\_  
Joe Tarmichael  
Shop Steward



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# REQUEST FOR COUNCIL ACTION

DATE ACTION REQUESTED: June 2, 2014

Order ___ No.	Ordinance ___ No.	Resolution <u>XX</u> No. 2013-3149	Motion ___	Information ___
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SUBJECT: Approval to appoint Luke Hoogendam as a Temporary Laborer in the Public Works Operations Department.

Contact Person (Preparer) for this Motion: Russ Reed, Interim PW Operations Superintendent  
Dept.: Public Works  
File No.:

## RECOMMENDATION:

Adopt Resolution No. 2013-3149 approving the appointment of Luke Hoogendam as a Temporary Laborer in the Public Works Operations Department.

## EXECUTIVE SUMMARY:

The Public Works Operations Department currently requires a Temporary Laborer. This need exists due to the lack of current Temporary Laborer support at both the Water and Wastewater Treatment Plants. This position is created to perform the seasonal property maintenance, lawn maintenance and building maintenance at the plants, pump stations and wellfield. Filling this position will allow the department to provide adequate maintenance and repair coverage.

The City Charter, Chapter VIII, Section 34 (h) provides that the Manager Pro Tem “has the authority and duties of manager, except that a Manager Pro Tem may appoint or remove employees only with council approval”.

The City Manager Pro Tem Lee Elliott and Interim Public Works Operations Superintendent Russ Reed have reviewed the material and approve the hire of Luke Hoogendam as a Temporary Laborer in the Public Works Operations Department.

The appointment is submitted to the Council for their approval pursuant to the City Charter as stated above.

## FISCAL IMPACT:

Compensation for this position was budgeted in the 2013/2014 Budget under account Nos. 06.5131.433000 & 07-5141-433000. It is also budgeted in the proposed 2014/2015 Budget under the same account numbers.

## STRATEGIC ASSESSMENT:

Filling this position will allow for necessary building and grounds maintenance at the Water Treatment and Wastewater Treatment Plant and all related remote sites. This will also allow staff to resume tasks that are currently going undone as they are being pulled away from their primary duties to complete these tasks.



## RESOLUTION No. 2013-3149

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**A RESOLUTION APPROVING THE APPOINTMENT OF LUKE  
HOOGENDAM AS A TEMPORARY LABORER IN THE PUBLIC WORKS  
OPERATIONS DEPARTMENT**

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### RECITALS:

1. Reason for Vacancy: This position is one of two filled each year on a temporary basis. The first position is currently staffed but the second position is still vacant.
2. Posting: A job advertisement was posted within the city on the City of Newberg website and the Newberg Graphic in print and online. It opened May 2, 2014, and closed May 16, 2014.
3. Number of Applications: 7
4. Recommendation: The City Manager Pro Tem Lee Elliott recommends hiring Luke Hoogendam for the position.
5. Funding: Position funding is within the budget.
6. Manager Pro Tem Appointment: Assistant City Manager Lee Elliott was appointed manager pro tem on August 26, 2013, by the city council. He reviewed the material and appoints Luke Hoogendam, subject to council approval. The City Charter, Chapter VIII, Section 34 (h) provides that the city manager pro-tem “has the authority and duties of manager, except that a city manager pro-tem may appoint or remove employees only with council approval”.

### THE CITY OF NEWBERG RESOLVES AS FOLLOWS:

The City Council approves the appointment by the city manager pro-tem of Luke Hoogendam as temporary laborer for the water and wastewater treatment plants of the Public Works Operations Department.

- **EFFECTIVE DATE** of this resolution is the day after the adoption date, which is: June 3, 2014.

**ADOPTED** by the City Council of the city of Newberg, Oregon, this 2<sup>nd</sup> day of June, 2014.

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Norma I. Alley, MMC, City Recorder

**ATTEST** by the Mayor this 5<sup>th</sup> day of June, 2014.

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Bob Andrews, Mayor

# REQUEST FOR COUNCIL ACTION

DATE ACTION REQUESTED: June 2, 2014

Order \_\_\_      Ordinance \_\_\_      Resolution XX      Motion \_\_\_      Information \_\_\_  
No.              No.              No. 2014-3151

**SUBJECT: Approve Police Association's Contract Amendment to allow vacation paid out to be placed into a VEBA Accounts.**

Contact Person (Preparer) for this Motion: Dawn Wilson  
Dept.: Administration (H/R)  
File No.:

## RECOMMENDATION:

Adopt Resolution No. 2014-3151 to amend the Collection Bargaining Agreement pertaining to vacation payout into HRA VEBA account between the City and The Newberg-Dundee Public Safety Association.

## EXECUTIVE SUMMARY:

The qualifying member is highly interested and brought the request for this option to the City's attention due to the high tax consequences of not placing the accrued vacation leave into a deferred tax account.

The Human resources director (Dawn Wilson) and payroll representative (Pam Young) have been communicating with The Newberg-Dundee Public Safety Association's ("Association's") president, along with a qualified member of the Association and the representative of the HRA VEBA plan.

## FISCAL IMPACT:

If this option is utilized, there will actually be a cost-savings factor to the City because the City will not have to pay employment taxes.

## STRATEGIC ASSESSMENT:

By continuing to provide as many options to the employees (members), morale is high and thus quality services may remain optimal.



## RESOLUTION No. 2014-3151

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**A RESOLUTION ADOPTING THE AMENDMENT TO THE COLLECTIVE BARGAINING AGREEMENT BETWEEN THE CITY AND THE NEWBERG-DUNDEE PUBLIC SAFETY AND AUTHORIZING THE CITY MANAGER PRO TEM TO EXECUTE THE MEMORANDUM OF UNDERSTANDING, AS WELL AS DELEGATING THE AUTHORITY TO MAKE SUCH AMENDMENT ON BEHALF OF THE CITY**

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**RECITALS:**

1. The qualifying member is highly interested and brought the request for this option to the City's attention due to the high tax consequences of not placing the accrued vacation leave into a deferred tax account.
2. The Human Resources Director (Dawn Wilson) and payroll representative (Pam Young) have been communicating with The Newberg-Dundee Public Safety Association's (the "Association's") president, along with a qualified member of the Association and the representative of the HRA VEBA plan.
3. The Association voted on May 22, 2014, approving the basis of the Memorandum of Understanding.

**THE CITY OF NEWBERG RESOLVES AS FOLLOWS:**

1. The city approves the Collective Bargaining Amendment for accrued vacation leave to be paid out into VEBA accounts upon retirement for members of the Association as per the terms stated in the Memorandum of Understanding, which is hereby attached as Exhibit A and by this reference incorporated.
2. The contract amendment, as stated in the Memorandum of Understanding, is only valid for the duration of the current contract, expiring June 30, 2014.
3. The city manager pro tem is authorized to execute the amendment to the Agreement with the Association on behalf of the city and to interpret the Agreement.
4. The city attorney will review and approve the Agreement as to legal sufficiency.

➤ **EFFECTIVE DATE** of this resolution is the day after the adoption date, which is: June 3, 2014.

**ADOPTED** by the city council of the city of Newberg, Oregon, this 2<sup>nd</sup> day of June, 2014.

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

ATTEST by the Mayor this 5<sup>th</sup> day of June, 2014.

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

**MEMORANDUM OF UNDERSTANDING**

**Amendment to Collective Bargaining Agreement  
(for the Period 07/01/11 – 06/30/14)  
Concerning Vacation Payout into VEBA Accounts**

Entered into this \_\_\_\_ day of June, 2014.

**PARTIES:**

City of Newberg <i>a municipal corporation</i> PO Box 970 Newberg, OR 97132 (503) 537-1207	The Newberg-Dundee Public Safety Association 414 East Third Street Newberg, OR 97132 (503) 538-8321
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City of Newberg is hereinafter referred to as "**City**."  
The Newberg-Dundee Public Safety Association is hereinafter referred to as "**Association**."

**RECITALS:**

1. The current Collective Bargaining Agreement, ratified by Resolution No. 2011-2952 on 11/07/11, is for the period of 07/01/11 through 06/30/14.
2. The Association voted on May 22, 2014, approving the basis of this Memorandum of Understanding.
3. The **City** has adopted the HRA VEBA plans offered and administered by the Voluntary Employees' Beneficiary Association Trust for Public Employees in the Northwest (collectively the "Plans"):
  - a) the **Standard HRA Plan**, which will be integrated with the Employer's or another qualified group health plan and to which the Employer will remit contributions on behalf of eligible employees who are enrolled in or covered by such qualified group health plan and any other contributions that may be permitted by applicable law from time to time; and
  - b) the **Post-separation HRA Plan** to which the Employer may remit contributions on behalf of eligible employees, including eligible employees who are not enrolled in or covered by the Employer's or another qualified group health plan, and which shall provide benefits only after a participant separates from service or retires. Employer agrees to contribute to the Plans on behalf of all employees in The Newberg-Dundee Public Safety Association ("Association") defined as eligible to participate in the Plans. Each eligible employee must submit a completed and signed Enrollment Form to become an eligible participant and become eligible for benefits under the Plans.

**4. Contributions on behalf of each eligible employee are based on the following funding source/formula:**

**Vacation leave cash-outs upon retirement.** Eligibility is limited to employees who retire with vacation leave cash-out rights during the term hereof. Employer contributions will include the entire cash-out value of all unused vacation leave days accrued and available for cash-out upon retirement per negotiated agreement or **City** policy.

**NOW, THEREFORE, THE PARTIES ENTER INTO THE FOLLOWING UNDERSTANDING:**

1. Vacation leave accrued time may be paid-out upon retirement and placed into the HRA VEBA account that the members of the Association are currently enrolled in.
2. The term of this agreement shall be from the date that this Memorandum of Understanding is entered into through June 30, 2014.

DATED this \_\_\_\_\_ day of June, 2014.

**City of Newberg**

**The Newberg-Dundee Public Safety Association**

\_\_\_\_\_  
Lee Elliott  
City Manager Pro Tem  
Authorized via Resolution No. 2014-3151  
on June 2, 2014

\_\_\_\_\_  
Nathan James  
Association President

Approved as to Legal Sufficiency

\_\_\_\_\_  
Truman A. Stone  
City Attorney

\_\_\_\_\_  
Daryl S. Garrettson, Attorney at Law  
Labor Representative



**CITY COUNCIL AGENDA  
JUNE 2, 2014, 7:00 PM  
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 recognizing the Newberg high school varsity cheerleading team as state and national champions and declaring June 2, 2014, a day in their honor. (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 adopting **Resolution No. 2014-3139** appointing Jacque Betz as city manager effective June 16, 2014. (Pgs. 5-10)
2. Consider a motion adopting **Resolution No. 2014-3141** stating the city of Newberg's support for the submission of a grant application to the state of Oregon's Transportation Growth Management Program for the development of a Newberg downtown revitalization plan. (Pgs. 11-14)

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.

3. Consider a motion adopting **Resolution No. 2014-3144** approving the purchase of a replacement 2014 Caterpillar 930K front end wheel loader from Peterson cat, in the amount of \$171,249.00, minus a trade-in allowance of \$49,500.00, for a final purchase price of \$121,749.00. (Pgs. 15-18)
4. Consider a motion adopting **Resolution No. 2014-3146** ratifying the Collective Bargaining Agreement between the City and IAFF Local 1660. (Pgs. 19-22)
5. Consider a motion approving a sound permit for the Chehalem Valley Chamber of Commerce “Tunes on Tuesday” concert series on July 8, 15, 22, 29, and August 5, 12, 19 and 26, 2014.(Pgs. 23-24)
6. Consider a motion approving the March 17, 2014, city council meeting minutes. (Pgs. 25-32)

## VIII. PUBLIC HEARING

Consider a motion adopting **Resolution No. 2014-3142** for approval of Supplemental Budget #3 for fiscal year 2013-2014.(Pgs. 33-44)  
**(Administrative Hearing)**

## IX. NEW BUSINESS

Consider a motion accepting the Chehalem Valley Chamber of Commerce’s second quarter report for the Visitor Information Center. (Pgs. 45-62)

## X. CONTINUED BUSINESS

Consider a motion adopting **Resolution No. 2014-3135** granting a twelve-year agricultural lease to Harold Medici of land on the city’s Oliver Springs property. (Pgs. 63-71)

## XI. COUNCIL BUSINESS

## 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 business 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 4:30 p.m. on the preceding Wednesday. 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: June 2, 2014

Order \_\_\_      Ordinance \_\_\_      Resolution \_\_\_      Motion XX      Information \_\_\_  
No.              No.                      No.

**SUBJECT: Approve a proclamation declaring June 2, 2014, as Newberg High School Varsity Cheerleading Day.**

Contact Person (Preparer) for this Motion: Bob Andrews, Mayor  
Dept.: Administration  
File No.:

## RECOMMENDATION:

Approve a proclamation declaring June 2, 2014, as Newberg High School Varsity Cheerleading Day.

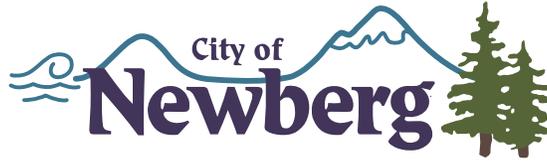
## EXECUTIVE SUMMARY:

After much hard work, dedication, and persistence the Newberg high school (NHS) varsity cheerleading team finished their 2013-14 school year by bringing home the Oregon School Activities Association (OSAA) Oregon State Cheerleading Championship title as well as placing first in the small varsity show cheer division of the United Spirit Association (USA) Spirit Nationals Cheerleading Championships.

With great appreciation and excitement for the NHS varsity cheerleading team, the mayor brings forward this proclamation for your consideration to recognize and celebrate their achievement. The NHS varsity cheerleading team has also been granted the honorary position of grand marshal for the 2014 Newberg Old Fashioned Festival to be held on July 24-27, 2014.

**FISCAL IMPACT:** None

**STRATEGIC ASSESSMENT:** This supports the council's desire to be an active participant in the community by reaching out and recognizing the importance of citizen success and representation of the city of Newberg.



## PROCLAMATION

### **A PROCLAMATION RECOGNIZING THE NEWBERG HIGH SCHOOL VARSITY CHEERLEADING TEAM AND DECLARING JUNE 2, 2014, A DAY IN THEIR HONOR**

**WHEREAS**, this year's Newberg High School's Varsity Cheerleading team, coached by Lisa Berg, received state and national recognition for Newberg High School and to the city of Newberg; and

**WHEREAS**, on February 15, 2014, the team claimed its second consecutive Oregon Cheerleading Coaches Association (OCCA) championship title at the Oregon School Activities Association (OSAA) State Cheerleading competition; and

**WHEREAS**, on March 30, 2014, in the United Spirit Association (USA) National Championship competition, the NHS Varsity Cheer team placed first in the small varsity show cheer division in Anaheim, California; and

**WHEREAS**, one of Newberg's stunt teams also took the National Championship title for the Advanced Group Stunt competition; and

**WHEREAS**, these ladies exhibited a lot of pride representing Newberg High school and the city of Newberg, dedicating hundreds of hours in practice to promote and build on the spirit of excellence at school events, and they certainly symbolize the spirit of our city of Newberg and their Newberg High School with championship caliber.

**NOW, THEREFORE, IT IS PROCLAIMED** by Mayor Bob Andrews and the city council of the city of Newberg, Oregon, that **June 2, 2014**, is **Newberg High School Varsity Cheerleading Day** and sincere congratulations goes to all of the team members along with their coach for their outstanding appearances and performances at both the state and national level. All of the citizens of Newberg are very proud of this exceptional accomplishment and join together to celebrate this great success.

**IN WITNESS WHEREOF**, I have hereunto set my hand and cause the seal of the city of Newberg to be affixed on this 2<sup>nd</sup> day of June, 2014.

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Bob Andrews, Mayor

# REQUEST FOR COUNCIL ACTION

DATE ACTION REQUESTED: June 2, 2014

Order ___ No.	Ordinance ___ No.	Resolution <u>XX</u> No. 2014-3139	Motion ___	Information ___
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**SUBJECT: Appointment of Jacque Betz as city manager effective June 16, 2014.**

Contact Person (Preparer) for this  
Resolution: Maya Benham, Paralegal  
Dept.: City Attorney's Office  
File No.:

## RECOMMENDATION:

Adopt Resolution No. 2014-3139 appointing Jacque Betz as city manager effective June 16, 2014.

**EXECUTIVE SUMMARY:** The Charter of the city provides in Chapter VIII, Appointive Officers, Section 34, city manager as follows:

"The office of city manager is established as the administrative head of the city government. The city manager is responsible to the mayor and councilors for the proper administration of all city business. The city manager will assist the mayor and councilors in the development of city policies, and carry out policies established by ordinances, resolutions, and orders."

The city has conducted an extensive hiring process using the services of Nancy Boyer, executive director of Mid-Willamette Council of Governments. After final review, the council has indicated that their first choice for city manager is Ms. Jacque Betz. Ms. Betz has indicated that she desires to serve as city manager for the city and would accept the appointment of city manager. By this Resolution No. 2014-3139, the city officially appoints Ms. Betz as the city manager of Newberg.

**FISCAL IMPACT:** The city manager shall receive an annual salary of \$112,891.00. The salary and compensation is fair and comparable with city manager's working in cities of comparable size and services.

**STRATEGIC ASSESSMENT:** The city manager is the chief executive officer of Newberg. The city manager is a Charter officer of the city of Newberg. The city manager is responsible for implementing the policy of the council and directing the city administration, and achieves the goals that the council sets forth.



## RESOLUTION No. 2014-3139

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**A RESOLUTION APPOINTING MS. JACQUE BETZ TO THE POSITION OF  
ADMINISTRATIVE HEAD OF THE CITY WITH THE TITLE OF CITY  
MANAGER OF NEWBERG EFFECTIVE JUNE 16, 2014**

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### RECITALS:

1. The Charter of the city provides in Chapter VIII, Appointive Officers, Section 34, city manager as follows:  
“The office of city manager is established as the administrative head of the city government. The city manager is responsible to the mayor and councilors for the proper administration of all city business. The city manager will assist the mayor and councilors in the development of city policies, and carry out policies established by ordinances, resolutions, and orders.”
2. The city has conducted an extensive hiring process using the services of Nancy Boyer, executive director, of Mid-Willamette Council of Governments (COG).
3. The council conducted interviews and deliberations concerning the three finalists in executive session.
4. After deliberation, the council has chosen to appoint Jacque M. Betz as city manager of the city of Newberg, and the council believes she is the best candidate to fill this position.

### THE CITY OF NEWBERG RESOLVES AS FOLLOWS:

1. The city council appoints Jacque M. Betz as city manager for the city of Newberg, Oregon.
2. Pursuant to a motion of the council on April 21, 2014, the mayor and staff negotiated a contract with Ms. Betz, the council's choice. That contract was approved by motion of the council on May 5, 2014, and entered into between the parties on May 9, 2014. This contract is attached as Exhibit A and by this reference incorporated.
3. The city council welcomes Jacque M. Betz as city manager to the city of Newberg and expresses its unanimous feeling that Jacque M. Betz was the best candidate of all candidates applying for the position of city manager.

➤ **EFFECTIVE DATE** of this resolution is: June 16, 2014.

**ADOPTED** by the city council of the city of Newberg, Oregon, this 2<sup>nd</sup> day of June, 2014.

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

**ATTEST** by the Mayor this 5<sup>th</sup> day of June, 2014.

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

**CITY OF NEWBERG**  
**Position Description**

<b><u>TITLE:</u></b>	City Manager	<b><u>SALARY RANGE:</u></b>	\$110,000 – \$130,000
<b><u>DEPARTMENT:</u></b>	Administration	<b><u>LOCATION:</u></b>	City Hall
<b><u>DIVISION:</u></b>	City Manager	<b><u>DATE:</u></b>	February, 2011

**CHARTER LEVEL:**

- **Position:** The Charter designates the city manager position.
- **Personnel:** City personnel are supervised on a day-to-day basis and reviewed by the city manager. The city manager works under the guidance of the City Council and is subject to its direction.
- **Budget:** The city manager is responsible for preparing and administering the budget for the City of Newberg.

**GENERAL PURPOSE:**

Performs high-level administrative, technical, and professional work in directing and supervising the administration of city government. The city manager demonstrates knowledge of all laws, ordinances, resolutions, and orders to ensure that they are performed in good faith. The city manager may serve as department head of one or more departments.

The city manager is an appointive officer of the city as provided for in Chapter VIII, Section 34 of the Charter. This excerpt follows:

**Section 34. City Manager.**

- (a) The office of city manager is established as the administrative head of the city government. The city manager is responsible to the mayor and councilors for the proper administration of all city business. The city manager will assist the mayor and councilors in the development of city policies, and carry out policies established by ordinances, resolutions, and orders.
- (b) A majority of the council must appoint and may remove the manager. The appointment must be made without regard to political considerations and solely on the basis of education and experience in competencies and practices of local government management.
- (c) The manager need not reside in the city or the state at the time of appointment.
- (d) The manager may be appointed for a definite or an indefinite term, and may be removed at any time by a majority of the council. The council must fill the office by appointment as soon as practicable after the vacancy occurs.
- (e) The manager must:
- (1) Attend all council meetings unless excused by the mayor or council;
  - (2) Make reports and recommendations to the council about the needs of the city;
  - (3) Administer and enforce all city ordinances, resolutions, orders, franchises, leases, contracts, permits, and other city decisions;
  - (4) Appoint, supervise and remove city employees;
  - (5) Organize city departments and administrative structure;
  - (6) Prepare and administer the annual city budget;
  - (7) Administer city utilities and property;
  - (8) Encourage and support regional and intergovernmental cooperation;
  - (9) Promote cooperation among the council, staff and citizens in developing city policies, and building a sense of community;
  - (10) Perform other duties as directed by the council;

(11) Delegate duties, but remain responsible for acts of all subordinates.

(f) The manager has no authority over the council, city attorney, or the judicial functions of the municipal judge.

(g) The manager, the city attorney, and other employees designated by the council may sit at council meetings but have no vote. The manager may take part in all council discussions.

(h) When the manager is temporarily disabled from acting as manager or when the office of manager becomes vacant, the council must appoint a manager pro tem. The manager pro tem has the authority and duties of manager, except that a pro tem manager may appoint or remove employees only with council approval.

(i) No council member may directly or indirectly attempt to coerce the manager or a candidate for the office of manager in the appointment or removal of any city employee, or in administrative decisions regarding city property or contracts. Violation of this prohibition is grounds for removal from office by a majority of the council after a public hearing. In council meetings, councilors may discuss or suggest anything with the manager relating to city business.

### **SUPERVISION RECEIVED:**

The city manager works under the broad policy guidance of the City Council, and is subject to its direction.

### **SUPERVISION EXERCISED:**

The city manager shall exercise supervision over all municipal employees either directly or through subordinate supervisors, exclusive of city attorney, legal department staff, and municipal judge.

### **REQUIRED KNOWLEDGE, SKILLS, AND ABILITIES:**

- Extensive knowledge of modern policies and practices of public administration; working knowledge of municipal finance, human resources, public works, public safety, and community development.
- Knowledge of state laws and local ordinances, resolutions, and orders; oversees that they are faithfully performed.
- Skill in preparing and administering municipal budgets; skill in planning, directing, and administering municipal programs.
- Ability to prepare and analyze comprehensive reports; ability to carry-out assigned projects to their completion; ability to effectively communicate verbally and in writing; ability to establish and maintain effective working relationships with employees, city officials, and the public; ability to efficiently and effectively administer a municipal government.
- Demonstrate effective personal traits such as initiative, creativity, judgment, fairness, and impartiality; demonstrates respect for individuals and for city property and utilities.
- Ability to foster a work environment that supports and encourages the investigation and implementation of innovative applications.

### **PERSONAL TRAITS:**

- Demonstrates initiative.
- Demonstrates sound judgment.
- Demonstrates fairness and impartiality.
- Demonstrates creativity.

### **MINIMUM QUALIFICATIONS FOR EDUCATION, EXPERIENCE, AND CERTIFICATION:**

A Baccalaureate degree is required in public administration, political science, business management, or a closely related field, and a Master's degree in public administration is preferred, from an accredited college or

university; five (5) years of experience as a municipal administrator; acquire and maintain appropriate, recognized professional certification; and a valid state driver's license.

**TYPICAL EXAMPLES OF WORK:**

The city manager may perform a combination of some or all of the following duties that are a representative sample of the level of work appropriate to this position. However, these examples do not include all duties that an employee may be expected to perform, as directed by the City Council. The following examples do not constitute an employment agreement between the employer and the employee and is subject to change by the employer as the needs of employer and requirements of the job change consistent with contract of employment.

1. Management:
  - a. Responsible for the management and supervision of all city departments, agencies, and offices to achieve goals within available resources by appropriately delegating duties.
  - b. Oversees the administration of workloads and staff assignments by studying, standardizing, and determining work roles, responsibilities, and procedures to improve efficiency and effectiveness of operations; preparing work schedules to expedite workflow.
  - c. Appoints and removes all department heads and employees of the city.
  - d. Assures the training, motivation, and evaluation of city staff and directs changes as needed.
2. Planning Goals:
  - a. Provides leadership and direction in the development of short and long-range plans with the city staff and the City Council.
  - b. Oversees the administration of plans, reviews progress, and directs changes as needed, based on new developments in technology, legislation, practices, and regulations.
  - c. Investigates, integrates, and implements technology where administratively and fiscally feasible.
  - d. Gathers, interprets, and prepares data for studies, reports, and policy recommendations.
  - e. Coordinates department activities with other departments and agencies as needed.
3. Communications:
  - a. Provides written and oral professional advice to the City Council and department heads in a timely, clear, thorough, and concise manner.
  - b. Communicates official plans, policies, and procedures to staff, the media, and to the general public.
  - c. Presents information to councils, boards, commissions, civic groups, and to the general public.
  - d. Issues clearly written and concise oral instructions to assign duties and examine work for exactness, neatness, and conformance to policies and procedures.
  - e. Maintains harmony among city staff and works to resolve grievances, in a consistent manner, including giving and accepting direction and instructions in a positive way.
4. Fiscal Agent/Budget Officer:
  - a. Assures that assigned areas of responsibility are performed within budget and demonstrates effective and efficient use of budgeted funds, personnel, materials, facilities, and time pursuant to ORS Chapters 291-297.
  - b. As budget officer, performs cost control activities and monitors revenues and expenditures in all departments, to assure sound fiscal control and to encourage innovative practices.
  - c. As budget officer, prepares annual budget requests and ensures that the budget addresses the City Council's goals and objectives.
5. Community Relations:
  - a. Advises and assists city staff in performing duties to adjust errors and to address complaints.
  - b. Projects a positive public image and is courteous to the public at all times.
  - c. Maintain effective relations with media representatives.
  - d. Promotes cooperation among the City Council, staff, and citizens in developing policies and to build a sense of community.
6. Intergovernmental Relations:

- a. Maintains effective communication with local, regional, state, and federal government agencies.
- b. Actively pursues financial resources (grants) from other agencies.
- c. Contributes to good government through participation in local, regional, and state committees and organizations.
- d. Effectively represents city programs and projects with legislators and state agencies in coordination with the City Council and mayor.
- e. Keeps the City Council informed of current plans and activities of administration and new developments in technology, legislation, governmental practices and regulations.

**WORK CONDITIONS:**

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 individual's with disabilities to perform the essential functions.

1. Must be bondable.
2. Ability to deal with distraught or difficult individuals.
3. Ability to attend monthly staff meetings and activities outside of normal working hours.
4. Ability and willingness to travel as needed and perform the duties and responsibilities.

**REQUIRED TOOLS AND EQUIPMENT USED:**

Skilled in operating personal computer, including word processing, database, and spreadsheet management, motor vehicle; ten-key calculator; phone; copy, scanner, and fax machine.

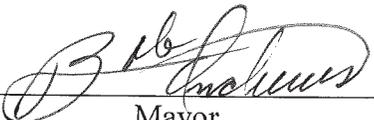
**PHYSICAL DEMANDS:**

While performing the duties of this job, the employee is frequently required to talk or hear; sit; use hands to handle, feel or operate objects, tools, or controls; and reach with hands and arms; stand or walk for considerable distances or time. Must occasionally lift and move up to 25 pounds. Specific vision abilities include close vision, distance vision, peripheral vision, depth perception, and the ability to adjust focus.

**SELECTION GUIDELINES:**

The selection process includes a formal application; rating of education, experience, and certification; oral interview; and reference and background checks.

Approval by Resolution No. 2011-2934 on February 22, 2011

By:   
\_\_\_\_\_  
Mayor

Signature attests that a motion was duly passed accepting position description.

Effective Date: February 23, 2011, per Resolution No. 2011-2934

# *REQUEST FOR COUNCIL ACTION*

**DATE ACTION REQUESTED: June 2, 2014**

<b>Order ___ No.</b>	<b>Ordinance ___ No.</b>	<b>Resolution <u>XX</u> No. 2014-3141</b>	<b>Motion ___</b>	<b>Information ___</b>
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**SUBJECT: Support for grant application to develop a downtown revitalization plan.**

**Contact Person (Preparer) for this Motion: David Beam, AICP  
Dept.: Planning and Building  
File No.: GR-14-001**

**RECOMMENDATION:**

Adopt Resolution No. 2014-3141, stating the city of Newberg’s support for the submission of a grant application to the state of Oregon’s Transportation Growth Management Program for the development of a Newberg downtown revitalization plan.

**EXECUTIVE SUMMARY:** The state of Oregon recently announced their acceptance of requests for grant funding under their Transportation Growth Management Program (TGM). The mission of the TGM is “To support community efforts to expand transportation choices. By linking land use and transportation planning, TGM works in partnership with local governments to create vibrant, livable places in which people can walk, bike, take transit or drive where they want to go.” Grant applications are due June 13, 2014.

City staff has examined the TGM Program grant criteria and feel that the development of a downtown revitalization plan would be a strong, competitive application. In addition, given that the first phase of the Newberg/Dundee Bypass is planned to be completed in 2016, the development of such a plan would be timely as well. The bypass will provide a unique opportunity for Newberg to reimagine how our historic downtown can best reach its highest potential. Having a downtown revitalization plan completed prior to the completion of the bypass is an important first step to achieving a transformed downtown post-bypass. In addition, the Newberg Downtown Coalition (NDC) is currently undergoing a public process with a goal to revisit and revise the downtown vision that was developed in 2001 by the NDC’s predecessor, the Newberg Downtown Association.

In cooperation with the NDC, city staff has been developing a preliminary scope of work for downtown revitalization plan. The proposed geographic area for the plan will encompass the Central Business District (C-3 Zone), the Civic Corridor, Highway 99W along the Hess Creek area, and properties along Highway 99W at the southwestern entrance into the city. Potential project tasks and components of the plan may include the following:

- |  |
|--|
| 1. Collection and review of relevant documents                                   |
| 2. Summarization of Task 1 documents   |
| 3. Transportation system improvement plan (vehicular, bike, pedestrian, transit) |
| 4. Parking facilities design and management                                      |
| 5. Streetscape improvements  |
| 6. Building (external) and site improvements                                     |

7. Capital Improvement Plan
8. Downtown Management Plan
9. Economic Market Analysis
10. Financial plan
11. Draft plan public review process

Staff expects that considerable public involvement will part of the development of the plan’s components. In addition, the NDC has expressed a desire and willingness to be a strong partner in the development of the plan. Other potential partners may include the Chehalem Valley Chamber of Commerce, Chehalem Park and Recreation District, George Fox University, and the Chehalem Cultural Center.

**FISCAL IMPACT:** The development of the proposed plan will be a comprehensive effort. The project cost is estimated to be \$200,000.00. The majority of the costs are expected to be attributed to the use of various consultants in the development of the plan. A minimum local match of 12% (\$24,000.00) of the total project cost is expected from the grant applicant. This match would be met through time dedicated by city staff and its local partners in the development of the plan.

**STRATEGIC ASSESSMENT:** As stated previously, the proposed project should allow the city to submit a strong application. Given the near future completion of the bypass, creation of a downtown revitalization plan is very timely.



## RESOLUTION No. 2014-3141

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**A RESOLUTION SUPPORTING A GRANT APPLICATION TO THE STATE OF OREGON'S TRANSPORTATION GROWTH MANAGEMENT PROGRAM TO FUND THE DEVELOPMENT OF A NEWBERG DOWNTOWN REVITALIZATION PLAN**

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### RECITALS:

1. The state of Oregon's Transportation Growth Management Program (TGM) is currently accepting applications for grants for local community projects.
2. The Newberg/Dundee Bypass is currently under construction and the first phase is expected to be completed in 2016. This project will significantly reduce traffic congestion through Highway 99W in Newberg, especially where it runs through our historic downtown core.
3. Completion of the Newberg/Dundee Bypass provides a unique opportunity for Newberg to reimagine how its historic downtown can best reach its highest potential. To accomplish this task, the city must first develop a comprehensive revitalization plan for this area of the community.
4. A grant award from the TGM program to develop a Newberg Downtown Revitalization Plan would be a very timely action, given the unique opportunity to improve this area when the new bypass is opened in the near future.

### THE CITY OF NEWBERG RESOLVES AS FOLLOWS:

1. The city of Newberg supports the submission of a grant application to the state of Oregon's TGM Program to fund the development of a Newberg Downtown Revitalization Plan.
2. The city manager pro tem is authorized to negotiate and execute necessary contracts associated with any resulting awards from the grant application.

➤ **EFFECTIVE DATE** of this resolution is the day after the adoption date, which is: June 3, 2014.

**ADOPTED** by the city council of the city of Newberg, Oregon, this 2<sup>nd</sup> day of June, 2014.

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

**ATTEST** by the Mayor this 5<sup>th</sup> day of June, 2014.

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

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# REQUEST FOR COUNCIL ACTION

DATE ACTION REQUESTED: June 2, 2014

Order ___ No.	Ordinance ___ No.	Resolution <u>XX</u> No.2014 - 3144	Motion ___	Information ___
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**SUBJECT: Resolution approving the purchase of a replacement 2014 Caterpillar 930K front end wheel loader from Peterson CAT, in the amount of \$171,249.00, minus a trade-in allowance of \$49,500.00, for a final purchase price of \$121,749.00.**

Contact Person (Preparer) for this Motion: Russ Reed, Interim Operations Superintendent  
Dept.: Public Works Operations Division  
File No.:

## RECOMMENDATION:

Adopt Resolution No. 2014-3144 approving the purchase of a replacement 2014 Caterpillar 930K front end wheel loader from Peterson cat, in the amount of \$171,249.00, minus a trade-in allowance of \$49,500.00, for a final purchase price of \$121,749.00.

## EXECUTIVE SUMMARY:

The city currently owns a 2004 Caterpillar 938G front end wheel loader. The existing loader has a high number of operating hours and is scheduled to be replaced this year while the trade-in value remains high.

The city utilizes the loader in the operation of the wastewater treatment plant operations. The loader is used to move compost, load and unload sawdust, remove product from composter curing tunnels, and to load customer vehicles with finished product. The loader operates every day of the year and is an essential component in the everyday operations of the plant. Since the wastewater treatment plant only utilizes one loader for this task, it does not experience downtime, except in the case of mechanical failure. With the high number of hours on the existing loader, it is prudent to replace the loader to reduce the potential of mechanical failures.

In the ten years since the purchase of the existing loader, the demand and daily use of the loader has continued to expand, as described below:

- a) The plant has experienced a significant increase in solids production through the facility due to growth in the city.
- b) Several years ago a new dehydration unit was added for drying sawdust has increased the efficiency of the composting process, but due to the added solids, additional sawdust is needed to be delivered/stored/moved.
- c) With the increased solids to the plant, more compost is produced, thus increasing the commercial sales/loading of compost.

With higher volumes of compost production, a need exists to load large volume commercial trucks for sales/haul-off. The existing loader is not capable of reaching the necessary height required to load larger vehicles.

## FISCAL IMPACT:

Pending approval of the 2014-2015 budget, the purchase of the Caterpillar 930K front end wheel loader

will be fully funded from the equipment replacement reserve account 06-5131-610400 in the amount of \$171,249.00, minus a \$49,500.00 trade-in, for a net replacement cost of \$121,749.00.

**STRATEGIC ASSESSMENT:**

The loader purchase will provide added safety and increased reliability. It will also provide the ability to top load large commercial grade trailers without necessitating additional ramps or equipment, potentially increasing compost sales.



## RESOLUTION No. 2014-3144

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**RESOLUTION APPROVING THE PURCHASE OF A REPLACEMENT 2014 CATERPILLAR 930K FRONT END WHEEL LOADER FROM PETERSON CAT, IN THE AMOUNT OF \$171,249.00, MINUS A TRADE-IN ALLOWANCE OF \$49,500.00, FOR A FINAL PURCHASE PRICE OF \$121,749.00.**

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### RECITALS:

1. The city of Newberg public works operations division utilizes a front wheel loader for the operations of its composting facility at the wastewater treatment plant.
2. The 2004 front wheel loader has reached the end of its serviceable life. Over the years, improvements have been made to loaders that increase efficiency and improve operator safety. Replacement of the front wheel loader will allow staff to realize these improvements and continue to meet the composting facility needs of the city for the next ten years.
3. The state of Oregon agreement with National Joint Power Alliance (NJPA) provides for competitive state bid prices to purchase items such as the Caterpillar 930K front end wheel loader. The city of Newberg received the NJPA competitive bids and Peterson CAT provided the loader with the most features at the best price.
4. The city selects Peterson CAT to provide a new 2014 Caterpillar 930K front end wheel loader at a final cost of \$121,749.00.

### THE CITY OF NEWBERG RESOLVES AS FOLLOWS:

1. The city council acting as the contract review board authorizes the city manager pro tem to enter into all contracts and agreements for the purchase of a replacement 2014 Caterpillar 930K front end wheel loader. The city attorney will approve all contracts and agreements as to form and content.
2. The city will purchase the 2014 Caterpillar 930K front end wheel loader by using funds from the wastewater equipment replacement reserve account 06-5131-610400.

➤ **EFFECTIVE DATE** of this resolution is the day after the adoption date, which is: June 3, 2014.

**ADOPTED** by the city council of the city of Newberg, Oregon, this 2<sup>nd</sup> day of June 2014.

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Norma I. Alley, MMC, City Recorder

**ATTEST** by the Mayor this 5<sup>th</sup> day of June 2014.

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Bob Andrews, Mayor

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# REQUEST FOR COUNCIL ACTION

DATE ACTION REQUESTED: June 2, 2014

Order \_\_\_      Ordinance \_\_\_      Resolution XX      Motion \_\_\_      Information \_\_\_  
No.              No.                      No. 2014-3146

**SUBJECT: Ratify Fire Union Collective Bargaining Agreement.**

Contact Person (Preparer) for this  
Motion: Dawn Wilson  
Dept.: Administration (H/R)  
File No.:

## RECOMMENDATION:

Adopt Resolution No. 2014-3146 ratifying the Collective Bargaining Agreement between the City and the IAFF Local 1660.

## EXECUTIVE SUMMARY:

City staff has been negotiating with the International Association of Firefighters, Local 1660 (the "Union") representatives for the new contract period July 1, 2014, through June 30, 2017. The City has been notified that the Union members have ratified the tentative Collective Bargaining Agreement ("Agreement").

## FISCAL IMPACT:

The finance director has budgeted for the financial impact as shown in Attachment 1.

## STRATEGIC ASSESSMENT:

Continue quality fire protection and fair compensation for fire personnel.

**Attachment 1  
to RCA for Resolution No. 2014-3146**

City of Newberg	Contract Term	July 01, 2014 - June 30, 2017				Budgeted	
Union Fire Contract Negotiated Cost Impacts							
Topic/Issue	Description	Contract Costs			Contract		
		1st yr	2nd yr	3rd yr	Totals		
Wages	2.0% 1st year, 2.0%, 2.0% (Yrs 2 and 3 are open for financial negotiation)	\$ 51,898	TBD	TBD	\$ 51,898	Y	
		\$ 51,898	\$ -	\$ -	\$ 51,898		\$ 51,898
Additional Apparatus Incentive	Increasing Apparatus Incentive from 5% to 6%	\$ 13,472	Annually			Y	\$ 13,472
Vacation Accrual	increase accrual and max	\$ 1,025	Each person, if cashed out upon termination/retirement. This is based on an average wage. Overtime is unable to be determined.			N	\$ -
Health Insurance	TVFR insurance Trust - no decrease in EE %	\$ -				N	\$ -
Life Insurance	Agreed to give FF same benefit as other EE	\$ 4,833	Annually			Y	\$ 4,833
VEBA	Purpose is to cover premium. No increase in benefit	\$ -				N	\$ -
Normal Hourly Rate	Revised to account for built-in OT	\$ 25,950	Estimated impact to be a 1% COLA			Y	\$ 25,950
Minimum Staffing Clause	No financial Impact= reflects current practice.	\$ -				N	\$ -
Normal Work Schedule	No financial Impact= reflects current practice.	\$ -				N	\$ -
	<b>Total Impact</b>	<b>\$ 97,178</b>	<b>Difference is vacation accrual is not budgeted.</b>				<b>\$ 96,153</b>



## RESOLUTION No. 2014-3146

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**A RESOLUTION ADOPTING THE COLLECTIVE BARGAINING AGREEMENT BETWEEN THE CITY AND THE INTERNATIONAL ASSOCIATION OF FIREFIGHTERS, LOCAL 1660, AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT, AS WELL AS DELEGATING THE AUTHORITY TO MAKE MINOR AMENDMENTS AND INTERPRET THE AGREEMENT ON BEHALF OF THE CITY**

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### RECITALS:

1. City staff has been negotiating with the International Association of Firefighters (IAFF), Local 1660 (“Union”) representatives for the new contract period July 1, 2014, through June 30, 2017.
2. The city has been notified that the Union members have ratified the tentative collective bargaining agreement (“Agreement”).
3. The Union voted to accept this Agreement.
4. City staff recommends acceptance of the Agreement by the city council.

### THE CITY OF NEWBERG RESOLVES AS FOLLOWS:

1. The city approves the Agreement between the city and the Union, which is attached hereto as Exhibit A and by this reference incorporated.
2. The city manager pro tem is authorized to execute the Agreement with the Union on behalf of the city. The city manager pro tem is further delegated the authority to approve minor amendments to the Agreement; interpret language to the Agreement on behalf of the city; enter into letters of understanding concerning the interpretation and disputes arising under the Agreement; and negotiate settlements of disputes concerning interpretation of the Agreement.
3. The city attorney will review and approve the Agreement as to legal sufficiency.

➤ **EFFECTIVE DATE** of this resolution is the day after the adoption date, which is: June 3, 2014.  
**ADOPTED** by the city council of the city of Newberg, Oregon, this 2<sup>nd</sup> day of June, 2014.

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Norma I. Alley, MMC, City Recorder

ATTEST by the Mayor this 5<sup>th</sup> day of June, 2014.

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Bob Andrews, Mayor

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# REQUEST FOR COUNCIL ACTION

DATE ACTION REQUESTED: June 2, 2014

Order \_\_\_      Ordinance \_\_\_      Resolution \_\_\_      Motion XX      Information \_\_\_  
No.              No.                      No.                                                               

**SUBJECT: Consider a sound permit application for Chehalem Valley Chamber of Commerce “Tunes on Tuesday” concert series.**

Contact Person (Preparer) for this Motion: Chris Bolek, Captain  
Dept.: Newberg-Dundee Police Department  
File No.:

## RECOMMENDATION:

Approve a sound permit for the Chehalem Valley Chamber of Commerce “Tunes on Tuesday” concert series on July 8, 15, 22, 29, and August 5, 12, 19 and 26, 2014.

## EXECUTIVE SUMMARY:

The music concert featuring live bands is scheduled for eight (8) Tuesdays in July and August, between the hours of 6:00 pm and 9:00 pm at Rotary Centennial Park on Sheridan Street in front of the Newberg Chehalem Cultural Center. This area is also now known as the Newberg Cultural District. Event notices will be distributed to residents within a three block area.

The city is authorized to approve sound permits for events where the sound will be kept at 200 feet or less (Title VIII: Health and Safety, Chapter 8.15.150 *Unnecessary Noise - permitted exceptions* of the Newberg City code). However, because sound from this event may travel **more than 200 feet**, we are seeking approval from the city council.

The concert is sponsored by the Chehalem Valley Chamber of Commerce. A minimum of one Chamber staff member and two committee members will be at each event. The Chehalem Valley Chamber of Commerce estimates an approximate average of 1,000 individuals will be in attendance at each event. No admission will be charged, food vendors will be on site and alcohol will be served.

The Newberg Cultural District Board has given consent for this requested use.

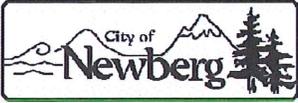
The Chehalem Valley Chamber of Commerce has met all the requirements for a sound permit to include a certificate of liability insurance for the event. Seeing no reason to deny, the Newberg-Dundee Police Department recommends approval of the permit.

## FISCAL IMPACT:

None

## STRATEGIC ASSESSMENT:

None



Newberg-Dundee Police Department  
 401 E. 3<sup>rd</sup> Street  
 Newberg, Oregon 97132  
 (503) 537-1280

**DANCE PERMIT APPLICATION**

**SOUND PERMIT APPLICATION**

(Allow a minimum of 10 working days to process)

Fee: \$10.00 per dance

APPLICANT: Sheryl Kelsh DRIVERS LICENSE # 2621281 DATE: 3/17/14

ADDRESS (street, city, zip code): \_\_\_\_\_

TELEPHONE: HOME Cell 503-930-2842 BUSINESS: 503-538-2014

EVENT SPONSOR: Chenalem Valley Chamber of Commerce (Tunes on Tuesday)

ADDRESS (street, city, zip code): 115 N. College St Newberg OR 97132

EVENT LOCATION: 400 Block of Sheridan St.

DATE OF EVENT: 7/8, 7/15, 7/22, 7/29 DANCE: TIME: \_\_\_\_\_ to \_\_\_\_\_ SOUND: TIME: 6:00 to 8:45 pm  
8/5, 8/12, 8/19, 8/26

TYPE OR NATURE OF EVENT (please choose one of the following):

- Public Commercial or noncommercial even with audible sound OVER 200 ft.  
 (requires City Council approval allow 30 working day minimum to process)
- Noncommercial event with audible sound of 200 ft. or less
- Public
- Private/Invitational

NUMBER OF PEOPLE EXPECTED: 1000 per week

**(All events are subject to Newberg Police Department Reserve personnel or other private security personnel)**

WILL A FEE BE CHARGED FOR ADMITTANCE TO THE EVENT? Yes  No

WILL ALCOHOLIC BEVERAGES BE PRESENT ON THE PREMISES? Yes  No

TYPE AND AMOUNT OF SECURITY PROVIDED FOR THE EVENT: 4 Alcohol monitors

DESCRIBE PROVISIONS FOR THE CONTROL AND DISPENSING OF ALCOHOLIC BEVERAGES

(Will a licensed OLCC server be on site or will alcohol be dispensed without consumption controls and oversight?)

\* Each alcoholic beverage vendor will provide their own licensed OLCC server

I have read and understand the rules contained on the back of this form. The statements and information provided above are in all respects true, complete and correct to the best of my knowledge and belief. Tentative plans must substantially conform to all standards, regulations and procedures officially adopted by the City of Newberg.

Sheryl A Kelsh  
 Applicant Signature

\_\_\_\_\_  
 Property Owner Signature  
City of Newberg

\* chamber will not be serving alcohol

**FOR CITY OF NEWBERG USE ONLY (comments & conditions)**

Police Services Request attached  Liquor Application attached  Insurance Certificate attached  OLCC Permit attached  
 Police Police - NDPO Date: \_\_\_\_\_

City Manager  approved  denied Signature \_\_\_\_\_ Date: \_\_\_\_\_

City Council  approved  denied Mayor's Signature \_\_\_\_\_ Date: \_\_\_\_\_

# REQUEST FOR COUNCIL ACTION

DATE ACTION REQUESTED: May 17, 2014

Order \_\_\_ Ordinance \_\_\_ Resolution \_\_\_ Motion XX Information \_\_\_  
No. No. No.

**SUBJECT:** Approve the March 17, 2014, city council meeting minutes.

Contact Person (Preparer) for this Motion: Jenn Nelson, Deputy 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 public meetings 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.

**NEWBERG CITY COUNCIL MINUTES**  
**MARCH 17, 2014, 7:00 PM**  
**PUBLIC SAFETY BUILDING TRAINING ROOM (401 EAST THIRD STREET)**

A work session was held at 6:05 PM preceding the meeting. A presentation was given by Mr. Craig Honeyman, League of Oregon legislative director, regarding an update on the recent 2014 legislative session. All councilors, the mayor, city manager pro tem, city attorney, deputy city recorder, minutes recorders, and department heads were present. No action was taken and no decisions were made.

**I. CALL MEETING TO ORDER**

Mayor Bob Andrews called the meeting to order at 7:30 PM.

**II. ROLL CALL**

Members Present:	Mayor Bob Andrews	Bart Rierson	Mike Corey
	Lesley Woodruff	Denise Bacon	Ryan Howard
	Stephen McKinney		

Staff Present:	Brian Casey, chief of police	Lee Elliot, city manager pro tem
	Truman Stone, city attorney	Janelle Nordyke, finance director
	Paul Chiu, senior engineer	Barton Brierley, planning and building director
	Leah Griffith, library director	Less Hallman, fire chief
	Dave Brooks, IT director	Jennifer Nelson, deputy city recorder
	Mandy Dillman, minutes recorder	

Others Present: Sheryl Kelsh and Craig Honeyman

**III. PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was performed.

**IV. CITY MANAGER'S REPORT**

Mr. Lee Elliot, city manager pro tem, reported Mr. Barton Brierley, planning and building director, will be leaving the city for a new opportunity in California. Mr. Elliot said the permanent city manager replacement will be hired in May, 2014. Mr. Craig Pat received a high award for the wastewater treatment plant. Mr. Truman Stone, city attorney, and Mr. Elliot have a possible understanding with the Springs customer agreement and will be moving in that direction after the Citizens' Rate Review Committee meets tomorrow evening for a rate establishment. In conclusion, he applauded the police department for receiving the safest community in Oregon award.

**V. PUBLIC COMMENTS**

Mr. Robert Soppe mentioned the annexation approved by Resolution No. 2014-3118 indicates only some property owners have signed. He is hoping only those who have approved will be the ones with consent. Obviously, it is early in the process and they may have more approvals in the end. Mr. Soppe was involved with the 2007 URA expansion during which property owners raised concerns about having annexation forced upon them. He (and others) argued although forced annexations are legal in some situations, it has been the city's informal policy not to do so. He stated if the council changes this policy, it would make it more difficult to use the argument in the future. Mr. Soppe questioned the justification for having the city cover the expense

of this annexation. The stated justification about the properties generating tax revenues to cover the annexation expenses would likely be present for all annexations of properties that are not tax-exempt, yet the city requires other property owners pay the cost. He also asked for an evaluation of the situation, including the costs, financing, and taxation for revenue. Mr. Soppe suggested while the strategic assessment claims the annexation is timely because of the upcoming Springbrook Road improvements, Island #1 is nowhere near that portion of Springbrook Road and should be evaluated more carefully. Mr. Soppe stated funding should be established early, so they know what to expect. Councilor Ryan Howard asked if Mr. Soppe was proposing the property owners be assessed the \$10,000.00 cost of the annexation. Mr. Soppe replied he was, less some portion to cover the city property included in the annexation proposal. Councilor Denise Bacon asked for clarification of payment for coming before council and if the city must pay for council's suggestions. Mr. Barton Brierley, planning and building director, said she was correct.

## VI. CONSENT CALENDAR

1. Consider a motion adopting **Resolution No. 2014-3118** initiating annexation proceedings for four "islands" of unincorporated land surrounded by city limits along Springbrook Road and city owned property at 2716 Wynooski Road.
2. Consider a motion adopting **Resolution No. 2014-3119** authorizing the city manager pro tem to enter into a construction contract with Nutter Corporation for the Wynooski-Riverfront Utilities Project in the amount of \$910,400.22, and to negotiate and approve any construction change orders not to exceed 15 percent of the original contract.
3. Consider a motion adopting **Resolution No. 2014-3120** authorizing the city manager pro tem to execute Amendment No. 2 to the professional services agreement with Parametrix, Inc., to complete additional utilities relocation design and project management for the Wynooski-Riverfront Utilities Project in the amount of \$160,080.00.
4. Consider a motion approving a sound permit for the George Fox University sponsored "Raffles, Runs and Caring Endeavors Newberg" event on Saturday, April 5, 2014, at Jaquith Park.
5. Consider a motion approving the city council minutes from November 18, December 2, and December 16, 2013.

**MOTION:** McKinney/Corey adopting **Resolution No. 2014-3118** initiating annexation proceedings for four "islands" of unincorporated land surrounded by city limits along Springbrook Road and city owned property at 2716 Wynooski Road, adopting **Resolution No. 2014-3119** authorizing the city manager pro tem to enter into a construction contract with Nutter Corporation for the Wynooski-Riverfront Utilities Project in the amount of \$910,400.22, and to negotiate and approve any construction change orders not to exceed 15 percent of the original contract, adopting **Resolution No. 2014-3120** authorizing the city manager pro tem to execute Amendment No. 2 to the professional services agreement with Parametrix, Inc., to complete additional utilities relocation design and project management for the Wynooski-Riverfront Utilities Project in the amount of \$160,080.00, approving a sound permit for the George Fox University sponsored "Raffles, Runs and Caring Endeavors Newberg" event on Saturday, April 5, 2014, at Jaquith Park, and approving the city council minutes for November 18, December 2, and December 16 2013, [as amended]. Motion carried (7 Yes/0 No)

## VII. NEW BUSINESS

1. Consider a motion accepting the Chehalem Valley Chamber of Commerce's second quarter report for the Visitor Information Center.

Ms. Sheryl Kelsh, Chehalem Valley Chamber of Commerce President/CEO, reported publications in several magazines, including Travel Oregon, for a second quarter. The Oregon events calendar was recently published with the Old Fashioned Festival and Camila Festival as well as other events. They have also received great feedback on the Travel Portland Guide advertisement. Additionally, they will be featured in the Portland Monthly Magazine for the Dragon Theater. The writer for AAA Magazine was well hosted in Newberg and instead of a few words of mention in his 1,000 page article; he wrote one 900 word article about Newberg and then a separate article about Hwy. 99W. She continued with statistics on the new lodging study from Travel Oregon, pointing out although countywide occupancies have improved and renting of available rooms exceeds the rate, there has been no growth in available rooms. A study is currently being conducted to discover how many visitors the city is losing to other towns because of the lack in room availability. The issue is Newberg does not have the right product. Two businesses have reported sending 2,500 guests back to Portland because they lacked the capacity to host them. Ms. Kelsh also mentioned they hosted visitors from Pakistan who also visited the state of Washington and east coast; they said their favorite location was the Newberg/Dundee area. Ms. Kelsh attended the Travel Oregon tourism conference where she worked with Travel Yamhill Valley to leverage a \$10,000.00 matching grant opportunity for countywide customer service training for front line staff. Paddle Oregon will be returning to Newberg once again. In conclusion, she mentioned the Chehalem Valley Chamber of Commerce has initiated a monthly small-business counseling course with Chemeketa Community College. Councilor Howard asked when Paddle Oregon will be coming and how the chamber will be greeting their arrival. Ms. Kelsh replied the third week in August; and they will greet them with a food and beverage reception. Mayor Andrews asked about money the visitor center receives from the city of Dundee. Ms. Kelsh explained they receive \$2,500.00 from Dundee; however, it was not included in this current report. Mayor Andrews asked it to be included in the next report.

**MOTION: Rierson/Howard** accepting the Chehalem Valley Chamber of Commerce's second quarter report for the Visitor Information Center. Motion carried (7 Yes/0 No).

2. Presentation of the Newberg Cultural District 2014 Annual Report.

Ms. Leah Griffith, Chehalem Cultural Center Executive Board of Directors chair, and Mr. Robert Soppe, presented the staff report accompanied by a PowerPoint presentation (see official meeting packet for full report).

Mayor Andrews asked if they would charge a fee for rental of the external and internal spaces. Ms. Griffith explained they only have rental fees for the external space and it is a small amount to help pay for website maintenance, improvements, landscaping, etc. Mayor Andrews further inquired if the street area is included in the rental because there are special procedures to charge a person to use a city street. Ms. Griffith replied they have not gotten far enough into the process to answer that yet. Mayor Andrews suggested having the city attorney examine the situation further. Mr. Soppe advised they not create concrete rules for the usage of the Cultural District properties until after they have had time to see how the space can be used most effectively. Ms. Griffith mentioned the Newberg Farmers Market is moving to Wednesday, as to not interfere with the Tunes on Tuesday program. Mr. Truman Stone read the wordage on street rental rules in the Cultural District and explained streets are included in the rental currently; the rental rate is left to the board to decide and the money received goes to whomever owns the piece of street. The intergovernmental agreement (IGA) delegates authority to the board by the council. Ms. Griffith mentioned Chehalem Parks and Recreation Department (CPRD) has delegated the plaza in front of the Chehalem Cultural District, so any funds received for CPRD properties will go to use at the Chehalem Cultural Center.

**IX. COUNCIL BUSINESS**

1. Discussion regarding Phase 2 of the Newberg-Dundee Bypass in relation to the Transportation System Plan (TSP).

Mr. Barton Brierley, planning and building director, presented the staff report accompanied by a PowerPoint presentation (see official meeting packet for full report).

Discussion followed on the moratorium on properties in the area. It was determined the moratorium was from 2006 to 2011, and there is no current formal agreement that property owners will not build in the proposed bypass path. The areas in question are zoned as residential professional, which would include houses, senior housing, nursing homes, professional offices, or similar facilities.

3. Trees in the Carnegie Court area.

Councilor Ryan Howard explained several small trees planted on the north side of Carnegie Court may impede view during concerts and other events because of the new location of the Tunes on Tuesday stage. Additionally the lawn area has been found to be in poor shape and may not handle the volume of people using the area for Tunes on Tuesday. He asked the council to give permission for grass improvements as well as the possibility of removing several trees. Discussion commenced on shade availability with tree removal and not currently providing shade. The Tunes on Tuesday stage will be left up over the summer for the library's outdoor summer activities to provide more shade than was available in previous years. Ms. Griffith gave details regarding the location of trees to be removed and grass areas needing more sand put down.

**MOTION:** **Rierson/Bacon** to pursue reinforcing grass in Carnegie Court and the possibility of removing several trees, by the city manager.

Discussion commenced on how the project would be funded; it would be considered normal city maintenance and covered under the landscaping budget.

**VOTE:** **Rierson/Bacon** to pursue reinforcing grass in Carnegie Court and the possibility of removing several trees, by the city manager. Motion carried (7 Yes/0 No).

2. Revisit Marijuana Dispensary discussion.

Mayor Andrews explained Mr. Brain Casey, chief of police, asked the council to revisit the marijuana dispensary moratorium discussion; however, no decisions will be made tonight.

Mr. Brad Berry, Yamhill County district attorney, presented a report regarding the deficiencies in House Bill 3460 and medical marijuana dispensaries and testimony supporting a moratorium on these types of facilities in the city of Newberg (see official meeting packet for full report). Mr. Berry reported the main problem with medical marijuana is that it is unregulated. He encouraged council to take advantage of the one-year moratorium in order to watch how other states or handling dispensaries and the evolution of marijuana as a legal substance. His main concerns were for the effects of increased availability, advertisements geared towards, and usage for youth, dangers in car fatalities, and the inability to measure marijuana consumption and levels of psychoactive ingredient in drivers. He also spoke of detrimental effects on neighborhoods with storefronts attracting suspicious loitering, crime and danger for children; lawsuits and expenses created for cities by the presence of the dispensaries; and gave examples of problems recently caused in Newberg with marijuana without the ease of access from a dispensary. Finally, since marijuana is still illegal by federal law, cities supporting the conducting of dispensaries are disobeying the law.

Councilor Denise Bacon asked if it would be easier to control dispensaries instead of random growers. Mr. Berry explained if they allowed, then both dispensaries and growers will be present; in addition, previously illegal sales and businesses will be able to return to selling synthetic variations of marijuana as well.

Mayor Andrews wished to confirm that packaging and marketing are currently unregulated and asked if there are really only four persons in the entire state allowed to manage all dispensaries. Mr. Berry said this was currently unregulated and the statement about the four persons was true.

Councilor Howard asked how the dispensaries could be unregulated and unlicensed. Mr. Berry explained the products, quantity or qualities are unregulated. The only requirement is they must sell to cardholders and hold a license; however, no regulation occurs after licensing.

Councilor Stephen McKinney explained he has seen marijuana wreak havoc on peoples' lives and felt it needs regulation and distribution should be through a pharmacy like any other drug. He also felt voting to allow dispensaries is a violation to the constitution and the laws they took an oath to uphold.

Councilor Bacon reminded the council of Councilor Howard's proposal they instill regulations such as locked safes, security cameras, and keeping product behind separate doors, where only licensed card holders can enter. She said she is on the compassionate side of the argument and wants to see people who need medication to be able to receive it; she does not feel opening dispensaries will make marijuana more accessible to others than it currently is. Furthermore, she spoke about the Harvard studies Councilor Howard had previously presented which shows addiction is not real.

Chief Casey appreciated Councilor Bacon's concern for those with medical needs; however, for every one person using marijuana for true medical relief, he sees 95 other people using it for illegal purposes. He feels there are alternative medications for pain relief. He agreed dispensaries could have cameras and alarms; however, banks are the most secure buildings in a city and they still are robbed. Additionally, he explained pharmacies could not sell medical marijuana because it is a federally illegal substance. Nine percent of people arrested for marijuana crimes have medical marijuana cards. Chief Casey felt crime rates would increase and have a detrimental effect of the city of Newberg if dispensaries are allowed. For those needing marijuana for true medical purposes, they are already receiving it and can continue to receive it without having dispensaries in this city. He encouraged the council to reconsider and not allow dispensaries.

Mayor Andrews asked what actions other cities in Yamhill County have taken. Mr. Berry explained there is a moratorium on dispensaries in unincorporated areas in Yamhill county and he last heard McMinnville was contemplating higher regulations. He was unsure of other cities' decisions, but agreed with Chief Casey some cities will allow dispensaries, creating pockets where people will congregate and cause illegal activities. He said he would look into what other cities are thinking.

Councilor Mike Corey asked where this leaves the city since the governor has not signed the bill yet and if the city is liable for litigation. Mr. Berry said the bill will pass whether the governor signs or not and has heard nothing indicating the governor does not approve of the one year moratorium. Councilor Corey asked about the possibility of lawsuits between cities. Mr. Berry did not see Yamhill County having any lawsuit issues. Councilor Corey suggested they poll Newberg residents to discover whether they want dispensaries in their town. Councilor Bacon pointed out citizens will be voicing an opinion when property owners will not allow them to rent their properties. Mr. Stone agreed, stating he heard the downtown business and property owners are not in favor of dispensaries in Newberg. He felt it would be best to put the moratorium in place; if council decided to allow it later, zoning limits could be set as to where dispensaries can operate to help avoid negatively affecting the business community. Mr. Stone felt it would be better to take Mr. Berry's "wait and see" approach with the moratorium because once marijuana is legalized, they may not be able to undo it.

Mayor Andrews expressed his desire to accept the moratorium. He asked Mr. Berry if persons needing medical marijuana have access to it currently. Mr. Berry explained the law authorizes a person with a medical marijuana card to have someone grow and provide it for them legally. Mayor Andrews was given clarification they would not be denying anyone who uses marijuana legitimately with this action. A discussion followed on how to proceed.

**MOTION:** **Rierson/Andrews** to direct staff to return with a request for council action (RCA) regarding a moratorium against medical marijuana dispensaries in Newberg at the April 7, 2014, city council meeting.

Councilor Howard said he believes medical marijuana dispensaries can be a good source of income, as well as reducing marijuana's presence on the black market. Councilor Bart Rierson felt there was a lot of one-sided information presented tonight and asked to see more material in defense of the subject.

**VOTE:** To direct staff to return with a request for council action (RCA) regarding a moratorium against medical marijuana dispensaries in Newberg at the April 7, 2014, city council meeting. Motion carried (6 Yes/1 No [Howard]).

4. Budget discussion.

A discussion was held on the public safety fee increase and the hospitality management fee and it was decided both need to be further discussed later.

5. Update on Villa Road sidewalk.

Mr. Stone reported the legal department sent out a legal bulletin last week and the bid for the sidewalk came back as expected. They have enlisted an arborist to consider trees that could potentially cause issues and do not have anything further to state until they hear back from him.

**X. ADJOURNMENT**

The meeting adjourned at 10:24 PM.

**ADOPTED** by the Newberg City Council this 5<sup>th</sup> day of May, 2014.

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

**ATTEST** by the Mayor this 8<sup>th</sup> day of May, 2014.

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

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# REQUEST FOR COUNCIL ACTION

DATE ACTION REQUESTED: June 2, 2014

Order \_\_\_      Ordinance \_\_\_      Resolution XX      Motion \_\_\_      Information \_\_\_  
No.              No.              No. 2014-3142

**SUBJECT: Request for approval of Supplemental Budget #3 for fiscal year 2013-2014 as described in Exhibit A.**

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

HEARING TYPE:              ADMINISTRATIVE

## RECOMMENDATION:

Adopt Resolution No. 2014-3142 for approval of Supplemental Budget #3 for fiscal year 2013-2014.

## EXECUTIVE SUMMARY:

Staff has reviewed the financial activity for the current fiscal year (2013-2014) and determined there are changes needed. The following adjustments are required to supplement the adopted budget appropriations to comply with Oregon Budget Law. Refer to Exhibit A for a detailed accounting summary.

When the 2013-2014 Budget was adopted, the Transient Lodging Tax in the General Fund (Fund 01) was estimated to be \$460,000.00. Quarterly receipts have been coming in approximately 23%-27% higher than prior year actuals. Therefore, the city needs to increase estimated Transient Lodging Tax revenues in the amount of \$70,000.00 and appropriate 25% of the increase to be remitted to the Visitor's Center. This would increase the Tourism Promotion expense line item by \$17,500.00 to prevent the City Council department from potentially going over budget.

During the preparation of the 2011-2012 Budget, one court position in the General Fund (Fund 01) was eliminated. This caused the remaining court clerk to work overtime hours to perform the duties necessary to provide court services. The overtime accumulated such that it reached the maximum amount to bank, therefore, causing the additional overtime to be paid out. In addition, circumstances are that the remaining balance of the comp-time bank will be cashed out. This supplemental budget appropriates these overtime payouts in the estimated amount of \$12,000.00 and a corresponding reduction in General Fund Contingency.

The Court (Fund 01) has seen a sharp increase in criminal activity over the last couple of years. The defendants have the opportunity to choose a court appointed attorney. However, if found guilty, the defendant must reimburse the city for the use of their court appointed attorney. The expense is paid for as the attorneys provide their expertise, while the repayment may be made over time. This supplemental budget appropriates the estimated increase in cost for court appointed attorneys in the amount of \$6,000.00 and a corresponding reduction in the General Fund Contingency.

The Utility Capital Improvement Fund (Fund 04) is based on a 5-year Capital Improvement Plan. Actual construction activities often differ from the original plan due to timing. This supplemental budget recognizes these changes as:

- The Wynooski-Riverfront Utilities Capital Improvement Project is well underway. The initial budget estimated that more of the project would be water related. As the project moves along, it appears that some of the initial allocations should be allocated to the wastewater fund. This supplemental budget recognizes the increase in the appropriations for the Wynooski-Riverfront Utilities project for the wastewater portion and a corresponding reduction in the water portion of this same project. The identified portions of these projects will still be reimbursed by ODOT as identified in Supplemental Budget #2.

The Emergency Medical Services department (Fund 05) frequently applies for grants. This year they have received a grant through the Oregon Health Authority in the amount of \$8,944.00 for cab commanders and triage tarp kits. This supplemental budget recognizes this grant and appropriates the amount to be spent on those items this fiscal year.

Resolution 2013-3033 authorized the purchase of a new replacement Vactor 2100, allowing the old vactor to be sold. The buyer was the City of Chelan, Washington. This supplemental budget recognizes the revenue of \$20,000.00 in the Wastewater Fund (Fund 06) and appropriates the transfer of the revenues to the Equipment Replacement Fund (Fund 32) for future equipment needs.

The funds for the Wastewater Treatment Plant Repair, Renovation and Expansion expenses have been provided for through a loan from the Department of Environmental Quality (DEQ). Phase I has been completed and is ready to begin the repayment process. This supplemental budget appropriates the interest only amount of \$237,067.00 due this year in the Wastewater Fund (Fund 06). The 2014-2015 Budget will appropriate the next year's principal and interest payments.

A pickup truck formerly used by engineering was transferred to the Water Operations department in the Water Fund (Fund 07). This supplemental budget appropriates the transfer of \$12,000.00 from Operations to the engineering's replacement balance in the Vehicle/Equipment Replacement Fund (Fund 32). The funds for this transfer are coming out of the Water Contingency.

With the adoption of the Stormwater Master Plan, test sampling of the creeks running through Newberg has become mandatory. The 2013-2014 Budget did not include an amount in the Stormwater Fund (Fund 17) for this requirement. This supplemental budget is including the cost for sampling in the creeks running throughout Newberg in the amount of \$9,000.00 with a corresponding reduction in Stormwater Contingency.

The Engineering Standards and ESC Manuals must be updated every few years. This supplemental budget is to increase the budget in the amount of \$7,000.00 in the Stormwater Fund (Fund 17) so that the Engineering Standards and ESC Manuals may be reviewed by an outside consultant. The corresponding amount will come from the Stormwater Contingency.

The Newberg Public Library is always looking for grants to help fund their programs. This supplemental budget is to recognize the grant revenue shown in the Library Gift, Memorial and Grant Fund (Fund 22) in the amount of \$15,000.00 and appropriate that same amount so the grants can be spent based on their purpose.

Although the major fund-raising for the Children's Room Remodel is winding down, furnishings are still being purchased. This supplemental budget appropriates the additional amount of \$7,000.00 for the Children's Room Remodel in the Library Gift, Memorial and Grant Fund (Fund 22) with a corresponding reduction in the Library Gift, Memorial and Grants Contingency.

A long-term half-time employee in the Finance Department in the Administrative Support Services Fund (Fund 31) has tendered her resignation. This supplemental budget includes her vacation payout as well as the amount needed to replace the position based on full time status through the end of the fiscal year in the amount of \$10,000.00. The corresponding amount will come from Administrative Support Services Contingency.

The city manager resigned at the beginning of the 2013-2014 fiscal year. Outside consultants were brought in to assist with budget projections. This supplemental budget accounts for the temporary help used in the Finance Department (Fund 31) in the amount of \$5,000.00. In addition, workshops in the amount of \$1,500.00, charged to the Finance Department's professional services line, were conducted to educate the department heads on forecasting. A corresponding amount will be taken from the Admin Support Services Contingency.

The police department underwent a security audit performed by the State of Oregon. They identified several areas in which the city was insufficient. One of the areas of insufficiency was a secure location for the IT staff. This secure location was to be addressed during the 2014-2015 budget process. However, when City Hall was flooded and the whole bottom floor was evacuated and gutted, this provided the opportunity to have the bottom floor remodeled to incorporate the necessary changes to make the floor a secure location for the IT department. This supplemental budget appropriates the funds for the security remodel in the amount of \$50,000.00 in the Admin Support Services Fund (Fund 31). The corresponding amount will be taken from the Admin Support Services Contingency.

The Vehicle/Equipment Replacement Fund (Fund 32) has funds that are set aside for future capital expenditures. From time to time transfers and purchases need to be made to and from this reserve fund. This supplemental budget recognizes these additional changes as:

- \$20,000.00 from Fund 6 is being transferred in for future vehicle replacements in Maintenance. \$12,000.00 is being transferred from WTP operations to engineering to pay for the pickup mentioned in the Fund 7 supplemental budget narrative.
- A new computer is needed for the new city manager. This supplemental budget appropriates the balance in the city manager's computer reserve funds in the amount of \$1,365.00 to be used towards this purchase. This appropriation will reduce the Vehicle /Equipment Replacement Contingency.
- The IT network upgrade lease and related costs were more than anticipated in the 2013-2014 budget. This supplemental budget recognizes the full cost. \$30,000.00 has been added to lease proceeds and expenditures (GAAP). \$10,000.00 was added to fund additional costs related to the network upgrade, with the balance coming from Vehicle/Equipment Replacement Contingency.
- Computer forensic equipment needs to be updated frequently to keep up with technology. This supplemental budget transfers an additional \$10,500.00 from the Police Forensic Equipment reserves making the funds available when needed.
- Maintenance vehicle/equipment replacements were more than anticipated in the 2013-2014 budget process. \$35,000.00 has been added to cover these expenditures. \$20,000.00 is covered by the transfer in from the Wastewater Fund (Fund 6) with the balance coming from Vehicle/Equipment Replacement Contingency.
- The engineering department purchased a new vehicle during the 2013-2014 fiscal year. The additional cost is funded by a transfer in from the Water Fund (Fund 7) which was a reimbursement for the pickup that was transferred to the Water Treatment Plant Operations.

The city entered into a capital lease agreement during the 2013-2014 fiscal year to purchase a new fire vehicle. The amount was more than anticipated during the 2013-2014 budget process. This supplemental budget appropriates the additional amount of \$2,748.00 needed in the Fire and EMS Equipment Fund (Fund 33) to offset the correct amount of the lease, with a corresponding decrease in the Fire & EMS Equipment Fee Contingency.

The Wastewater Treatment Plant Renovation, Repair and Expansion is moving forward rapidly. This supplemental budget appropriates additional expenditures in anticipation of the timing of construction and the fiscal year-end in the amount of \$2,900,000.00 in the Wastewater Financed CIP's Fund (Fund 36) with a corresponding increase in interim financing revenues.

**FISCAL IMPACT:**

The annual Budget appropriation increase requested is \$3,075,944.00 for a total Budget of \$95,589,591.00.

**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 26, 2014.



## ***RESOLUTION No. 2014-3142***

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**A RESOLUTION TO ADOPT SUPPLEMENTAL BUDGET #3 FOR  
FISCAL YEAR 2013-2014 BEGINNING JULY 1, 2013, AND ENDING  
JUNE 30, 2014**

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### **RECITALS:**

1. The 2013-2014 Budget was adopted by Resolution No. 2013-3047 on June 3, 2013, by the city council.
2. A transfer resolution was adopted by Resolution No. 2013-3088 on October 7, 2013, by the city council.
3. A Supplemental Budget #1 was adopted by Resolution No. 2013-3095 on November 18, 2013, by the city council.
4. A Supplemental Budget #2 was adopted by Resolution No. 2014-3108 on February 18, 2014, by the city council.
5. New circumstances require changes to the budget as shown in Exhibit A.

### **THE CITY OF NEWBERG RESOLVES AS FOLLOWS:**

To recognize additional revenues, appropriate expenditure changes and recognize changes in contingencies as attached in Exhibit A, which is hereby adopted and by this reference incorporated.

- **EFFECTIVE DATE** of this resolution is the day after the adoption date, which is: June 3, 2014.

**ADOPTED** by the city council of the city of Newberg, Oregon, this 2<sup>nd</sup> day of June, 2014.

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Norma I. Alley, MMC, City Recorder

**ATTEST** by the Mayor this 5<sup>th</sup> day of June, 2014.

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Bob Andrews, Mayor

# EXHIBIT A TO RESOLUTION NO. 2014-3142

City of Newberg  
Supplemental BUDGET #3 2014-3142  
Fiscal Year 2013-2014

<u>FUND 01 - GENERAL FUND</u>		FY 13-14 BUDGET	CHANGE	REVISED
Transient Lodging Tax - Revenues	<i>Increase</i>	460,000.00	70,000.00	530,000.00
Tourism Promotion - Expenses	<i>Increase</i>	123,000.00	17,500.00	140,500.00
Overtime - Court	<i>Increase</i>	-	12,000.00	12,000.00
Court Appointed Attorney Fees	<i>Increase</i>	24,000.00	6,000.00	30,000.00
Contingency	<i>Increase</i>	507,843.00	34,500.00	542,343.00
		<i>Current</i>	<i>Inc/(Decr)</i>	<i>Revised</i>
Total Resources (Beg Fund Balance + Current Revenues)		14,226,863.00	70,000.00	14,296,863.00
Total Requirements (Expenditures)		14,226,863.00	70,000.00	14,296,863.00

*When the 2013-2014 Budget was adopted, the Transient Lodging Tax was estimated to be \$460,000.00. Quarterly receipts have been coming in approximately 23%-27% higher than prior year actuals. Therefore, the city needs to increase estimated Transient Lodging Tax revenues in the amount of \$70,000.00 and appropriate 25% of the increase to be remitted to the Visitor's Center. This would increase the Tourism Promotion expense line item by \$17,500.00 to prevent the City Council department from potentially going over budget.*

*During the preparation of the 2011-2012 Budget, one court position was eliminated. This caused the remaining court clerk to work overtime hours to perform the duties necessary to provide court services. The overtime accumulated such that it reached the maximum amount to bank, therefore, causing the additional overtime to be paid out. In addition, circumstances are that the remaining balance of the comp-time bank will be cashed out. This supplemental budget appropriates these overtime payouts in the estimated amount of \$12,000.00 and a corresponding reduction in General Fund Contingency.*

*The Court has seen a sharp increase in criminal activity over the last couple of years. The defendants have the opportunity to choose a court appointed attorney. However, if found guilty, the defendant must reimburse the city for the use of their court appointed attorney. The expense is paid for as the attorneys provide their expertise, while the repayment may be made over time. This supplemental budget appropriates the estimated increase in cost for court appointed attorneys in the amount of \$6,000.00 and a corresponding reduction in the General Fund Contingency.*

<u>FUND 4 - UTILITY CAPITAL PROJECTS IMPROVEMENT FUND</u>		FY 13-14 BUDGET	CHANGE	REVISED
Wynooski-Riverfront Utilities - Wastewater	<i>Increase</i>	781,625.00	240,000.00	1,021,625.00
Wynooski-Riverfront Utilities - Water	<i>Increase</i>	1,877,225.00	(240,000.00)	1,637,225.00
		<i>Current</i>	<i>Inc/(Decr)</i>	<i>Revised</i>
Total Resources (Beg Fund Balance + Current Revenues)		7,069,900.00	-	7,069,900.00
Total Requirements (Expenditures)		7,069,900.00	-	7,069,900.00

*The Wynooski-Riverfront Utilities Capital Improvement Project is well underway. The initial budget estimated that more of the project would be water related. As the project moves along, it appears that some of the initial allocations should be allocated to the wastewater fund. This supplemental budget recognizes the increase in the appropriations for the Wynooski-Riverfront Utilities project for the wastewater portion and a corresponding reduction in the water portion of this same project. The identified portions of these projects will still be reimbursed by ODOT as identified in Supplemental Budget #2.*

## EXHIBIT A TO RESOLUTION NO. 2014-3142

City of Newberg  
Supplemental BUDGET #3  
Fiscal Year 2013-2014

<u>FUND 5 - EMERGENCY MEDICAL SERVICES FUND</u>		FY 13-14 BUDGET	CHANGE	REVISED
Miscellaneous Grants - Revenue	<i>Increase</i>	5,000.00	8,944.00	13,944.00
EMS Grants - Expenditure	<i>Increase</i>	5,000.00	8,944.00	13,944.00
		<i>Current</i>	<i>Inc/(Decr)</i>	<i>Revised</i>
Total Resources (Beg Fund Balance + Current Revenues)		1,906,509.00	8,944.00	1,915,453.00
Total Requirements (Expenditures)		1,906,509.00	8,944.00	1,915,453.00

*The Emergency Medical Services department frequently applies for grants. This year they have received a grant through the Oregon Health Authority in the amount of \$8,944.00 for cab commanders and triage tarp kits. This supplemental budget recognizes this grant and appropriates the amount to be spent on those items this fiscal year.*

<u>FUND 6 - WASTEWATER FUND</u>		FY 13-14 BUDGET	CHANGE	REVISED
Sale of Assets	<i>Increase</i>	-	20,000.00	20,000.00
Transfer Out - Veh/Equip Replacement	<i>Increase</i>	-	20,000.00	20,000.00
Debt Service Interest DEQ #R68820	<i>Increase</i>	-	237,067.00	237,067.00
Contingency-Debt Service	<i>Decrease</i>	3,063,233.00	(237,067.00)	2,826,166.00
		<i>Current</i>	<i>Inc/(Decr)</i>	<i>Revised</i>
Total Resources (Beg Fund Balance + Current Revenues)		14,207,599.00	20,000.00	14,227,599.00
Total Requirements (Expenditures)		14,207,599.00	20,000.00	14,227,599.00

*Resolution 2013-3033 authorized the purchase of a new replacement Vector 2100, allowing the old vector to be sold. The buyer was the City of Chelan, Washington. This supplemental budget recognizes the revenue of \$20,000.00 and appropriates the transfer of the revenues to the Equipment Replacement Fund for future equipment needs.*

*The funds for the Wastewater Treatment Plant Repair, Renovation and Expansion expenses have been provided for through a loan from the Department of Environmental Quality (DEQ). Phase I has been completed and is ready to begin the repayment process. This supplemental budget appropriates the interest only amount of \$237,067.00 due this year. The 2014-2015 Budget will appropriate the next year's principal and interest payments.*

<u>FUND 7 - WATER FUND</u>		FY 13-14 BUDGET	CHANGE	REVISED
Transfer Out - Veh/Equip Replacement	<i>Increase</i>	-	12,000.00	12,000.00
Contingency	<i>Decrease</i>	1,102,847.00	(12,000.00)	1,090,847.00
		<i>Current</i>	<i>Inc/(Decr)</i>	<i>Revised</i>
Total Resources (Beg Fund Balance + Current Revenues)		9,239,776.00	-	9,239,776.00
Total Requirements (Expenditures)		9,239,776.00	-	9,239,776.00

*A pickup truck formerly used by engineering was transferred to the Water Operations department. This supplemental budget appropriates the transfer of \$12,000.00 from Operations to the engineering's replacement balance in the Vehicle/Equipment Replacement Fund (Fund 32). The funds for this transfer are coming out of the Water Contingency.*

## EXHIBIT A TO RESOLUTION NO. 2014-3142

City of Newberg  
Supplemental BUDGET #3  
Fiscal Year 2013-2014

<u>FUND 17 - STORMWATER FUND</u>		FY 13-14 BUDGET	CHANGE	REVISED
TMDL Field Program	<i>Increase</i>	-	9,000.00	9,000.00
Contractual Services	<i>Increase</i>	5,000.00	7,000.00	12,000.00
Contingency	<i>Decrease</i>	283,531.00	(16,000.00)	267,531.00

	<i>Current</i>	<i>Inc/(Decr)</i>	<i>Revised</i>
Total Resources (Beg Fund Balance + Current Revenues)	1,985,084.00	-	1,985,084.00
Total Requirements (Expenditures)	1,985,084.00	-	1,985,084.00

*With the adoption of the Stormwater Master Plan, test sampling of the creeks running through Newberg has become mandatory. The 2013-2014 Budget did not include an amount for this requirement. This supplemental budget is including the cost for sampling in the creeks running throughout Newberg in the amount of \$9,000.00 with a corresponding reduction in Stormwater Contingency.*

*The Engineering Standards and ESC Manuals must be updated every few years. This supplemental budget is to increase the budget in the amount of \$7,000.00 so that the Engineering Standards and ESC Manuals may be reviewed by an outside consultant. The corresponding amount will come from the Stormwater Contingency.*

<u>FUND 22 - LIBRARY GIFT &amp; MEMORIAL FUND</u>		FY 13-14 BUDGET	CHANGE	REVISED
Miscellaneous Grants - Revenue	<i>Increase</i>	15,000.00	15,000.00	30,000.00
Miscellaneous Grants - Expenditure	<i>Increase</i>	10,000.00	15,000.00	25,000.00
Children's Room Remodel - Expense	<i>Increase</i>	193,000.00	7,000.00	200,000.00
Contingency	<i>Decrease</i>	42,123.00	(7,000.00)	35,123.00

	<i>Current</i>	<i>Inc/(Decr)</i>	<i>Revised</i>
Total Resources (Beg Fund Balance + Current Revenues)	293,723.00	15,000.00	308,723.00
Total Requirements (Expenditures)	293,723.00	15,000.00	308,723.00

*The Newberg Public Library is always looking for grants to help fund their programs. This supplemental budget is to recognize the grant revenue in the amount of \$15,000.00 and appropriate that same amount so the grants can be spent based on their purpose.*

*Although the major fund raising for the Children's Room Remodel is winding down, furnishings are still being purchased. This supplemental budget appropriates the additional amount of \$7,000.00 for the Children's Room Remodel with a corresponding reduction in the Library Gift, Memorial and Grants Contingency.*

## EXHIBIT A TO RESOLUTION NO. 2014-3142

City of Newberg  
Supplemental BUDGET #3  
Fiscal Year 2013-2014

<u>FUND 31 - ADMINISTRATIVE SUPPORT SERVICES FUND</u>		FY 13-14 BUDGET	CHANGE	REVISED
Clerical Salaries	<i>Increase</i>	132,900.00	10,000.00	142,900.00
Contractual Services	<i>Increase</i>	5,400.00	5,000.00	10,400.00
Professional Service	<i>Increase</i>	30,000.00	1,500.00	31,500.00
Capital Outlay - IT	<i>Increase</i>	-	50,000.00	50,000.00
Contingency	<i>Decrease</i>	572,406.00	(66,500.00)	505,906.00

	<i>Current</i>	<i>Inc/(Decr)</i>	<i>Revised</i>
Total Resources (Beg Fund Balance + Current Revenues)	4,008,912.00	-	4,008,912.00
Total Requirements (Expenditures)	4,008,912.00	-	4,008,912.00

*A long-term half-time employee in the Finance Department has tendered her resignation. This supplemental budget includes her vacation payout as well as the amount needed to replace the position based on full time status in the amount of \$10,000.00. The corresponding amount will come from Administrative Support Services Contingency.*

*The city manager resigned at the beginning of the 2013-2014 fiscal year. Outside consultants were brought in to assist with budget projections. This supplemental budget accounts for the temporary help used in the amount of \$5,000.00. In addition, workshops in the amount of \$1,500.00 were conducted to educate the department heads on forecasting. A corresponding amount will be taken from the Admin Support Services Contingency.*

*The police department underwent a security audit performed by the State of Oregon. They identified several areas in which the city was insufficient. One of the areas of insufficiency was a secure location for the IT staff. This secure location was to be addressed during the 2014-2015 budget process. However, when City Hall was flooded and the whole bottom floor was evacuated and gutted, this provided the opportunity to have the bottom floor remodeled to incorporate the necessary changes to make the floor a secure location for the IT department. This supplemental budget appropriates the funds for the security remodel in the amount of \$50,000.00. The corresponding amount will be taken from the Admin Support Services Contingency.*

# EXHIBIT A TO RESOLUTION NO. 2014-3142

City of Newberg  
Supplemental BUDGET #3  
Fiscal Year 2013-2014

<u>FUND 32 - VEHICLE/EQUIPMENT REPLACEMENT FUND</u>		FY 13-14 BUDGET	CHANGE	REVISED
Transfer In - Wastewater Fund	<i>Increase</i>	-	20,000.00	20,000.00
Transfer In - Water Fund	<i>Increase</i>	-	12,000.00	12,000.00
Lease Proceeds	<i>Increase</i>	300,000.00	30,000.00	330,000.00
Capital Outlay-Computers-City Manager	<i>Increase</i>	-	1,365.00	1,365.00
Capital Outlay-Equip/Software - IT	<i>Increase</i>	321,000.00	10,000.00	331,000.00
Capital Outlay-Lease-GAAP - IT	<i>Increase</i>	220,000.00	30,000.00	250,000.00
Capital Outlay-Forensic Equipment	<i>Increase</i>	15,000.00	10,500.00	25,500.00
Capital Outlay-Maint Veh Repl	<i>Increase</i>	610,000.00	35,000.00	645,000.00
Capital Outlay-Eng Veh Repl	<i>Increase</i>	17,500.00	9,652.00	27,152.00
Contingency	<i>Decrease</i>	1,143,284.00	(34,517.00)	1,108,767.00

	<i>Current</i>	<i>Inc/(Decr)</i>	<i>Revised</i>
Total Resources (Beg Fund Balance + Current Revenues)	2,587,132.00	62,000.00	2,649,132.00
Total Requirements (Expenditures)	2,587,132.00	62,000.00	2,649,132.00

*\$20,000.00 from Fund 6 is being transferred in for future vehicle replacements in Maintenance. \$12,000.00 is being transferred from WTP operations to engineering to pay for the pickup mentioned in the Fund 7 supplemental budget narrative.*

*A new computer is needed for the new city manager. This supplemental budget appropriates the balance in the city manager's computer reserve funds in the amount of \$1,365.00 to be used towards this purchase. This appropriation will reduce the Vehicle /Equipment Replacement Contingency.*

*The IT network upgrade lease and related costs were more than anticipated in the 2013-2014 budget. This supplemental budget recognizes the full cost. \$30,000.00 has been added to lease proceeds and expenditures (GAAP). \$10,000.00 was added to fund additional costs related to the network upgrade, with the balance coming from Vehicle/Equipment Replacement Contingency.*

*Computer forensic equipment needs to be updated frequently to keep up with technology. This supplemental budget transfers an additional \$10,500.00 from the Police Forensic Equipment reserves making the funds available when needed.*

*Maintenance vehicle/equipment replacements were more than anticipated in the 2013-2014 budget process. \$35,000.00 has been added to cover these expenditures. \$20,000.00 is covered by the transfer in from the Wastewater Fund (Fund 6) with the balance coming from Vehicle/Equipment Replacement Contingency.*

*The engineering department purchased a new vehicle during the 2013-2014 fiscal year. The additional cost is funded by a transfer in from the Water Fund (Fund 7) which was a reimbursement for the pickup that was transferred to the Water Treatment Plant Operations.*

## EXHIBIT A TO RESOLUTION NO. 2014-3142

City of Newberg  
Supplemental BUDGET #3  
Fiscal Year 2013-2014

<u>FUND 33 - FIRE &amp; EMS EQUIPMENT FEE</u>		FY 13-14 BUDGET	CHANGE	REVISED
Capital Outlay-Lease-GAAP	<i>Increase</i>	30,000.00	2,748.00	32,748.00
Contingency	<i>Decrease</i>	89,470.00	(2,748.00)	86,722.00

	<i>Current</i>	<i>Inc/(Decr)</i>	<i>Revised</i>
Total Resources (Beg Fund Balance + Current Revenues)	345,953.00	-	345,953.00
Total Requirements (Expenditures)	345,953.00	-	345,953.00

*The city entered into a capital lease agreement during the 2013-2014 fiscal year to purchase a new fire vehicle. The amount was more than anticipated during the 2013-2014 budget process. This supplemental budget appropriates the additional amount of \$2,748.00 needed to offset the correct amount of the lease, with a corresponding decrease in the Fire & EMS Equipment Fee Contingency.*

<u>FUND 36 - WASTEWATER FINANCED CIP'S FUND</u>		FY 13-14 BUDGET	CHANGE	REVISED
Interim Fin-WWTP CWSRLF	<i>Increase</i>	8,100,000.00	2,900,000.00	11,000,000.00
WWTP RRE Ph 1 & 2 Design	<i>Increase</i>	1,500,000.00	400,000.00	1,900,000.00
WWTP RRE Construction	<i>Increase</i>	6,600,000.00	2,500,000.00	9,100,000.00

	<i>Current</i>	<i>Inc/(Decr)</i>	<i>Revised</i>
Total Resources (Beg Fund Balance + Current Revenues)	8,100,000.00	2,900,000.00	11,000,000.00
Total Requirements (Expenditures)	8,100,000.00	2,900,000.00	11,000,000.00

*The Wastewater Treatment Plant Renovation, Repair and Expansion is moving forward rapidly. This supplemental budget appropriates additional expenditures in anticipation of the timing of construction and the fiscal year-end in the amount of \$2,900,000.00 with a corresponding increase in interim financing revenues.*

Total Increase (decrease) in appropriations:	3,075,944.00
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# REQUEST FOR COUNCIL ACTION

DATE ACTION REQUESTED: June 2, 2014

Order \_\_\_ Ordinance \_\_\_ Resolution \_\_\_ Motion XX Information \_\_\_  
No. No. No.

**SUBJECT: Accepting the Chamber of Commerce quarterly report for the Chehalem Valley Visitor Information Center.**

Contact Person (Preparer) for this Motion: Jennifer Nelson, Deputy City Recorder  
Dept.: Administration  
File No.:

## RECOMMENDATION:

Accept the Chamber of Commerce 2013-2014 3<sup>rd</sup> quarter report for the Chehalem Valley Visitor Information Center.

## EXECUTIVE SUMMARY:

The city of Newberg helps financially support the Chehalem Valley Visitor Information Center. As part of that support, the city council has requested the Visitor Information Center provide quarterly budget reports.

## FISCAL IMPACT:

The city of Newberg is currently funding the Visitor Information Center with a contribution of 25% of the Transient Lodging Tax (TLT) revenue.

## STRATEGIC ASSESSMENT:

The city council has determined that the operation of a Visitor Information Center is in the best interests of the city's business community and promotes tourism and economic development in the Newberg area.

# THE CHEHALEM VALLEY VISITOR CENTER

2014 Third Quarter Report

2014 THIRD QUARTER STATS: JAN-MARCH

Website visits: 14,895

Visitor Center Traffic: 492

Phone Calls: 412



## 2015 January Oregon Truffle Festival Expands to Newberg & Dundee

Designed to “support those interested in establishing successful truffieres, while celebrating the Oregon truffles’ earthy elegance,” *The Oregon Truffle Festival*—once a weekend celebration held exclusively in Eugene, will expand to an over week-long program with events kicking-off in Newberg and Dundee. The Chehalem Valley Chamber coordinated with the Oregon Truffle Festival to bring the event to the area. Starting Friday,

January 16th, local Truffle Festival events include winery dinners featuring truffle delicacies prepared by local chefs, a Truffle hunt, and the possibility of a marketplace at the Cultural Center.

## Newberg Represented at January 2014 Bay Area Travel & Adventure Show

In association with the Willamette Valley Visitor Center, the Chehalem Valley Visitor Center represented Newberg and surrounding area at the Bay Area Travel & Adventure Show, held at the Santa Clara Convention Center in California. The two-day event is attended by over 13,000 qualified Bay Area consumers and travel agents. Partnering with the Travel Channel, the show featured travel experts including Rick Steves, Travel Channel host Samantha Brown, author of *1,000 Places to See Before You Die* and Patricia Schultz, host of Travel Channel’s *Trip Flip*.

Plans for the 2015 February 7-8 show include improvements to booth arrangement. The over 200 booths will be arranged by geography and Newberg will be represented in the Oregon “Super-booth.”

## Visitors from Kyrgyzstan

A group representing tourism-based businesses in Kyrgyzstan visited the Chehalem Valley Visitor Center and Oregon Olive Mill through the Oregon World Affairs Council.



# THE CHEHALEM VALLEY VISITOR CENTER

2014 Third Quarter Report



## April 2014 Governor's Conference on Tourism

Held on April 26–29th in Sunriver, the Governor's Conference on Tourism included a presentation on Oregon's Electric Byways and Electric Vehicle Initiatives. Included in the presentation, are statistics on Electric Vehicles and their Owners as they relate to area business:

Statistics show that Blink (electric charging station) members spend twice as much time at retailers with Blink Stations than non-members. And 43% of EV drivers are likely to return *weekly* to retail locations with EV chargers, making them more loyal than the average customer. Who is an EV driver? 80% are men with a \$100,000+ average yearly income. EV drivers earn 50% more income than the average American. They also travel, on average, twice as far to visit retailers. 77% have a four-year degree or higher and 80% of EV Drivers own a smart phone.

## Travel Oregon and Travel Portland Magazine Ads

The advertisement features a central image of a bottle of Chehalem Valley wine. The bottle has a dark body and a white label that reads "The Columbia State Bank OREGON WINE EDUCATION CENTER BY APPOINTMENT FOR GROUPS OF UP TO TEN". Above the bottle, the text "CHEERS DEUX!" is written in large, white, serif font. To the right of the bottle, there is a handwritten-style note: "Award-winning Pinot Noir" with an arrow pointing to the bottle. Below this, the text "Complimentary Tastings" is written in a serif font, followed by a paragraph: "Come visit the Chehalem Valley Visitor's Center in beautiful Newberg, Oregon and receive two complimentary tastings for two\* along with tips for enjoying the best of Oregon Wine Country. chehalemvalley.org". At the bottom of the ad, there is a small disclaimer: "\*Must present valid form of ID. Offer subject to availability." On the left side of the ad, there is a vertical handwritten-style note: "For an appointment, call us at 503.538.2014" with an arrow pointing to the bottle. The background of the ad is a scenic view of a vineyard with rolling hills and trees under a blue sky. The Chehalem Valley Visitor's Center logo is visible in the bottom right corner of the ad.

## Travel Oregon Magazine:

- Distribution of 300,000 with year-round exposure
- Free to consumers via TravelOregon.com and 800 customer service number
- The key information piece used by visitors and welcome center staff
- Distributed at high traffic locations such as Portland International Airport

Travel Oregon Ad

# THE CHEHALEM VALLEY VISITOR CENTER

2014 Third Quarter Report



## Travel Portland Magazine:

- Distribution of 165,000 with year-round exposure
  - 55,000 to visitors planning trips to Portland
  - 70,000 to visitors and business travelers already in Portland
  - 30,000 to convention delegates
  - 10,000 polybagged with Seattle Met Magazine

**WELCOME**  
to Newberg, Dundee & St. Paul

**CHEERS!  
CHEERS!**

Come visit the Chehalem Valley Visitor's Center in beautiful Newberg, Oregon and receive two complimentary wine tastings\* along with tips for enjoying the best of Oregon Wine Country.  
[chehalemvalley.org](http://chehalemvalley.org)

**CHEHALEM Valley**  
VISITOR'S CENTER

**OVER 100 WINERIES**

*Fun things to do - indoor & outdoor*

*Having fun at the 1st Friday art walk!*

*Award-winning Pinot Noir  
Pinot Gris, Chardonnay,  
& Sparkling*

*For an appointment,  
call us at 503.538.2014*

The Columbia State Bank  
**OREGON WINE**  
EDUCATION CENTER  
BY APPOINTMENT  
FOR GROUPS OF UP TO TEN

\*Must present valid form of ID. Offer subject to availability.

Travel Portland Ad

## Summer Visitor Survey

Starting June 1, the CVVC will be conducting a brief survey loaded on an iPad using a free basic account on Survey Monkey. The survey will be completed by willing walk-in visitors and will improve future marketing efforts through a better understanding of visitor geographical data, desired itineraries, and travel preferences.

# Newberg

## VISITOR & INFORMATION CENTER

### 2013-2014 Executive Summary & Contract Performance Review



Oregon's tourism and hospitality industry is a leading contributor to the state's socio-economic success. It is a \$9.6 billion industry and directly generates 94,000 jobs in Oregon and indirectly creates another 42,300 more in agriculture, construction, manufacturing and transportation making it the largest traded-sector (export oriented) employer in the state. The tourism and hospitality industry is also one of the Oregon's top contributors to the gross state product.

The mission of the Newberg Visitors Center is to encourage economic growth and to enhance the quality of life through the strengthened economic impact of tourism in Newberg and the surrounding areas. Travel Oregon does a fantastic job of recruiting visitors to the State of Oregon but it is up to Newberg to attract our share of visitors and their spending to our community.

Based on the statewide financial impact of tourism, The Chehalem Valley Chamber of Commerce (CVCC) has identified the expansion of our tourism product as one of the greatest and most immediate opportunities to increase dollars in our local community over any other activity prior to the completion of the bypass and expansion of the UGB.

The purpose of the Visitors Center Destination Marketing plan is to expand the role of the Newberg Visitors Center to serve as a dynamic community marketing organization. As a marketing organization we will define strategies that will allow us to market our Visitor Destination product to people that have not already heard about us. We will methodically develop a plan that will bring new visitors and increased travel spending to the area.

Our legislators believe so emphatically that tourism promotion provides a sound return on investment that they passed a law in 2003 called the Oregon Tourism Investment Act. The bill made tourism and hospitality a pillar of Oregon's economy by reinvesting 1% of lodging revenue back into tourism development and marketing. The state of Oregon through Travel Oregon has been tracking the return on investment since that law and discovered through research that \$1.00 in State Marketing equates to \$193.00 in Visitor Spending and that \$1.00 in State marketing = \$8.00 in new state and local tax revenues.

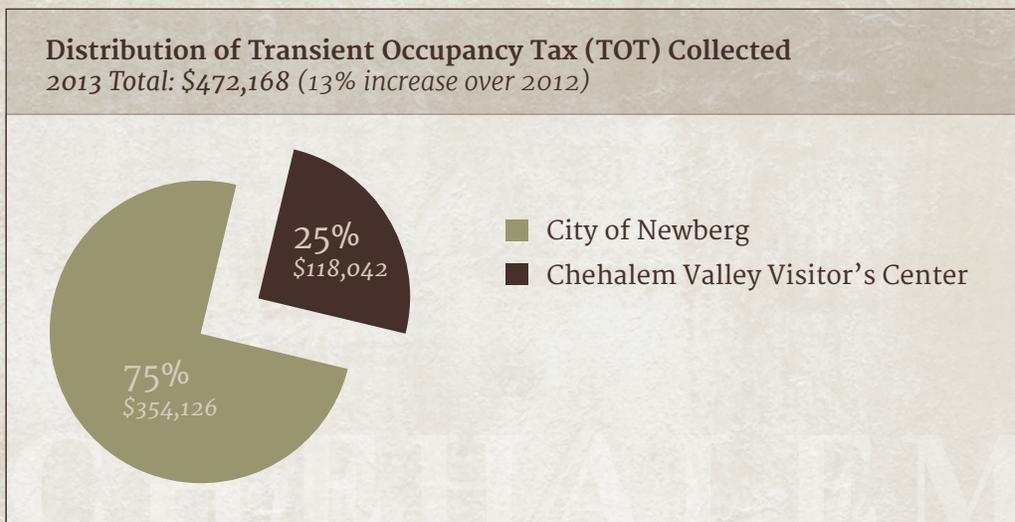
# Newberg

## VISITOR & INFORMATION CENTER

### 2013-2014 Executive Summary & Contract Performance Review

In addition to creating the 1% statewide room tax the law also mandated that a minimum of 70% of local room tax collection must be dedicated to support tourism promotion and facilities. Municipalities with TOT statutes prior to July 1, 2003 were omitted from the provision but clearly the intent of the law was to ensure that significant portion of the room tax collection was invested in local tourism rather than funding other City general fund expenses.

A universally accepted method for measuring the effectiveness of a destination marketing program is through evaluation of the trends in Transient Occupancy Tax (TOT) collection. In 2013 TOT in Newberg increased from \$416,656 to \$472,168. The CVCC provides the City of Newberg value and destination marketing services that exceeds basic walk-in visitor center services. The CVCC destination marketing plan has significant impact on visitor spending in the Newberg area. The increase in local visitor spending adds to the bottom-line of the City of Newberg, who retain(s) 75% of transient occupancy tax that is collected. The better the CVCC does our job the more revenue the City of Newberg realizes.



For example, in the diagram above, The City collected \$472,168 and because the local TOT was in place prior to the Tourism Investment Act of 2003 they were able to retain 75% or \$354,126 in their General Fund and invest the balance of \$118,042 in tourism development through the contract with the Chehalem Valley Chamber. The Chamber destination marketing plan makes a significant positive impact on the local economy and has produced measurable economic impact that benefits the City of Newberg. As in previous years, the Chehalem Valley Chamber of Commerce also contributes funding to the Visitor Center and Newberg Destination marketing plan. In 2014-2015 The Chehalem Valley Chamber of Commerce will invest \$54,500 of their annual budget to augment the City of Newberg portion of the Newberg Destination Marketing Plan.

The budget for 2014-2015 is the same as 2013-2014.

The destination marketing plan and budget reflects the final year of a five year contract. The most significant increases during this period include the fact that when we started the contract we were in a different physical location and did not pay rent. Since that time we secured the highly visible location for the visitor center on Hwy 99W. There are increased

# Newberg

## VISITOR & INFORMATION CENTER

### 2013-2014 Executive Summary & Contract Performance Review

expenses associated with the location and remodel of the building. The second area that has grown significantly is the portion of the budget that is spent on marketing. As the tourism budget has increased we have increased our investment in marketing programs that will increase tourism to Newberg. In addition, we have cooperatively picked up some marketing expenses that were formerly funded directly by the City of Newberg.

The following chart outlines the basic requirements of the contract between the City of Newberg and The Chehalem Valley Chamber. The second chart itemizes the additional services over and above the contract that the Chamber provides as part of our destination marketing strategy. The 2014-2015 Destination Marketing Plan follows the 2013-2014 Contract Performance Report.

#### Contract Performance Report:

May 1, 2014

Basic Service Requirements	Actual Service Provided:	Notes:
Maintain regular open hours: Minimum 2,000/Yr.	7/1/13 - 4/30/14 = 1842 Hours 5/01/14 - 6/30/14 = 373 Hours* = 2215 Total Hours  *Estimated	Note that we expand Visitor Center Hours to 7 days per week from Memorial Day to October 1 <sup>st</sup> each year.
Visitor Response Procedures	Telephone calls within 3 rings Walk-ins within 15 seconds Internet requests within 24 hours	
Trained staff w/Q certification	Complete	
Visitor Center information materials & maps	Over 1,000 different brochures, maps, magazines & periodicals are stocked. Titles are maintained in an extensive database for efficient tracking.	
Travel Oregon & ODOT Materials stocked	Yes	Travel Oregon Magazine; Oregon Festival & Events Guide; Ski Oregon
After hours brochure access	Local and state maps and visitors magazines stocked in 24 hour access location in front and back of Visitor Center.	

# Newberg

## VISITOR & INFORMATION CENTER

### 2013-2014 Executive Summary & Contract Performance Review

Basic Service Requirements	Actual Service Provided:	Notes:
Information and directions to local businesses	Visitors are provided Mapquest printouts as needed.	In addition staff is trained to act as an active concierge to visitors and often make calls to check on lodging availability or to make tour/tasting appts.
Fulfill relocation requests, visitor requests & new employer information	Fulfilled over 100 relocation & visitor information packets. Stocked over 500 guides for local employers to provide to new employees	Potential visitors can also make relocation requests in a form we have created online for 24 hour access.
Participate & seek marketing "best practices" through membership in Travel Yamhill Valley and ODMO	Currently serving as Past President on board of Travel Yamhill Valley and on the board for Willamette Valley Visitors Association	
Publish Newberg Community Guide	7,500 of the 64 page color guide is published annually in May and distributed throughout the community.	In addition to the community guide, the chamber publishes a 16-page four color tourism magazines that has distribution of 17,500
Maintain Online calendar of events	The online calendar is available at <a href="http://www.chehalemvalley.org">www.chehalemvalley.org</a> . In addition any community member may enter their community event online	In addition to an online calendar the Chamber runs a Community Calendar of events on the Visitor Center flat screen television.
Maintain a website with visitor information	Yes	
Provide information for employers to provide in new EE packets	Employers that regularly request directories for this purpose include: A-dec, Climax, GFU, Providence & Newberg School District	

# Newberg

## VISITOR & INFORMATION CENTER

### 2013-2014 Executive Summary & Contract Performance Review

Basic Service Requirements	Actual Service Provided:	Notes:
Parking within walking distance	Yes	
Drinking fountain or access to water during open hours	Yes and for traveling pets too.	
Restrooms within walking distance	Yes	
ADA Accessibility	Yes	
Landline Telephone	Yes	
Quarterly report to The City of Newberg	Yes	

#### Service Performed Above Contract Requirements:

ACTION	RESULTS
New consumer collateral	Wine Education Center Consumer Brochure Downtown Newberg Visitor Itinerary Oregon film industry recruitment piece
Travel Trade & Media Promotion	New Meeting Planner Brochure Familiarization tours for media: NW Travel Magazine, AAA's VIA Magazine, Bouillon Magazine, Netherlands, Marco Polo Magazine, Germany, Euromann Publications, Denmark, 20 Minuten, Switzerland, Gate Report, Sweden, Zin Magazine.  Familiarization tours for French tour operators: representing des Etats-Unis, Vacances Fabuleuses, West Euro Bikes, Delabrouille, Aventuria - Objectif USA, Amérigo and Voyageurs du Monde
Marketing & Communications	Consumer trade advertising in NW Travel Magazine, Travel Oregon Magazine, Travel Portland Magazine and the Oregon Festival & Events guide. Expanded social media presence on Facebook, Twitter & Instagram. 50% of daily posts dedicated to driving tourism. Promoted Newberg at the 2014 Bay Area Adventure Show in San Jose leveraging our relationship with the Willamette Valley Visitor Association.

# Newberg

## VISITOR & INFORMATION CENTER

### 2013-2014 Executive Summary & Contract Performance Review

ACTION	RESULTS
Influence long-term development of the destination brand	Re-elected to board of Willamette Valley Visitors Association the Regional Destination Marketing organization and key partner for Travel Oregon
Shoulder Season Promotions	The Chehalem Valley Chamber served as a sponsor and worked collaboratively with Travel Yamhill Valley's "Dig into Yamhill Valley" campaign to encourage increased shoulder season activity.
Small Convention Recruitment	Small Convention Recruitment will continue to be an important Destination Marketing Strategy for Newberg. The potential for success will be greatly enhanced when the remainder of the Cultural Center is remodeled and available for rental. The Chehalem Valley Chamber continues to reach out to meeting planners for Portland Based conventions regarding pre and post-convention travel to Newberg. Continue to collaborate with the Allison to support their convention recruitment efforts as requested. Oregon Truffle Festival has officially announced their intent to expand their festival to include activities in Newberg in 2015.
Community Leadership	Sheryl Kelsh currently serves on the Board of Travel Yamhill Valley and the Willamette Valley Visitors Association. She is also a member of the Dundee Tourism Committee, Oregon Destination Marketing Organization. In addition she has been asked to serve on a regional committee on Wine Tourism and Economic Development.
Research	A tourist survey will go live via IPAD on June 1 <sup>st</sup> .
Continuing Education	Sheryl Kelsh attended the Oregon Governors Conference on Tourism in April and attends the semi-annual Oregon Destination Marketing Conferences

VISITOR'S CENTER

# THE CHEHALEM VALLEY MARKETING PLAN

2014-2015 Tourism & Visitor Services



## **I. GOAL: To increase visitor volume, visitor spending, and economic impact for Newberg by providing quality service in direct interactions with visitors and potential visitors.**

The following tools are available to help the Chehalem Valley Chamber of Commerce (CVCC) staff and members in their leisure marketing efforts. Many of these tools also apply to media, travel trade and our emerging convention marketing.

### **1.) PRINT:**

Current printed pieces created for CVCC leisure marketing are:

- The CVCC Community and Visitor Guide (May)
- Newberg Area Map (January), Service Station Directory (as-needed)
- The Oregon Wine Education Center rack-size promotional brochure

*NEW* in 2014 the CVCC will:

- Re-design the tri-fold brochure promoting Newberg
- Design rack-card for specific itinerary's
- Re-design the Tourism Magazine

### **2.) WEBSITE:**

CVCC's website is currently the most up-to-date tool available for local visitor information but in need of content upgrades. On the website, visitors access information on activities, events, restaurants and lodging.

*NEW* in 2014 the CVCC website will undergo minor modifications to improve navigation. Additional changes include:

- Web pages highlighting additional niches like history, outdoor recreation and local sustainability efforts.
- Web pages highlighting sample itineraries/tours. Available online or as printable pages. Themes to focus on niches.
- Media page with photos

### **3.) "WHAT'S NEW" TALKING POINTS:**

*NEW* in 2014, the CVCC will create talking points three months ahead of each season incorporating community and niche topics as appropriate. Tourist based e-newsletter distributed monthly to promote local businesses, what's new, specials, and events. Physical distribution to visitors to the Newberg Visitors Center.

# THE CHEHALEM VALLEY MARKETING PLAN

2014-2015 Tourism & Visitor Services



## TRAINING

**A. Objective: All CVCC staff and volunteers are fully trained in customer service and Newberg area business and services product knowledge.**

### Strategies:

- 1.) All new frontline staff and volunteers will complete an orientation and initial front desk training within their first three shifts. All other new staff are invited to complete a visitor center training within their first month.
- 2.) All frontline staff are Q certified within their first three months of work. CVCC frontline staff and volunteers have a high level of product and customer service knowledge from training in monthly staff meetings, site visits, member spotlights and brochure/Web research.
- 3.) CVCC frontline staff and volunteers stay current with new/closed businesses and new products/services offered by local businesses
- 4.) CVCC frontline staff and volunteers stay current with new web feature pages
- 5.) Frontline staff attend on-going web database training
- 6.) Frontline staff is trained to deal with general visitor, convention delegate and out of county event attendees
- 7.) Frontline method of referrals is continually evaluated to ensure fair and equitable referrals, promoting Newberg Area Business
- 8.) Frontline staff to participate in research trips to visit members
- 9.) Ensure staff are familiar with core niches

## VISITOR CENTER

**B.) Objective: Implement Visitor Center practices that will have direct impact on overnight stays in Newberg.**

### Strategies:

- 1.) Phone/walk-in lodging information requests are met with an offer of reservation assistance.
- 2.) Walk-in guests are asked if they need assistance with lodging. If lodging is needed, staff offer reservation assistance.
- 3.) **NEW:** Add complimentary trip-planning service to print and electronic advertising copy

**C.) Objective: Increase number of visitors to the Visitor Center by 5%.**

### Strategies:

- 1.) Monitor challenges related to street and building signs, parking for cars and RV's.
- 2.) Visitor Center is promoted in the Travel Oregon Official Visitor Guide, NW Travel and Travel Portland Magazine, CVCC website, Travel Yamhill Valley website, Willamette Valley Visitors Center Website.
- 3.) **NEW:** Implement surveys in the Visitor Center to improve future marketing efforts.
- 4.) **NEW:** Develop strategy with local lodging properties to provide Visitor Center location information to their guests.

# THE CHEHALEM VALLEY MARKETING PLAN

2014-2015 Tourism & Visitor Services



**D. Objective: Ensure 20,000 CVCC publications (visitor guides, maps and promotional brochures) are distributed throughout the region at appropriate locations.**

**Strategies:**

- 1.) Confirm stock is available at collateral distribution sites within Yamhill County such as: CVCC Visitor Center, CVCC Member businesses, McMinnville Chamber of Commerce, City of Newberg, Certified Display locations in Yamhill County.
- 2.) Confirm stock is available at collateral distribution sites outside Newberg such as: Oregon Welcome Centers & Visitor Centers; AAA offices and Certified Display locations in key markets and Amtrak outlets throughout the region.

**II. Goal: Travel Trade Sales and Marketing - To increase leisure visitor volume, visitor spending and economic impact for Newberg through the promotion and distribution of Newberg's travel products to the travel trade.**

**Objective:** Provide the following tools to help CVCC staff and members in their travel trade marketing efforts:

- 1.) All consumer tools outlined under Goal I
- 2.) **NEW:** Establish a travel trade section of website to increase attention and response to the site.
- 3.) "What's New" features for industry outreach (seasonal).
- 4.) **NEW:** Seek out Travel Trade relationships

**Strategies:**

- 1.) All Travel Trade interactions are conducted with a focus on generating leads resulting in overnight stays in Newberg.
- 2.) Work with travel trade (tour operators, receptive operators, group leaders, travel agents) to match them together with Newberg Lodging operators.
- 3.) **NEW:** Start a travel trade contact program (from identifying the client, contacting client, sending sales lead, to follow up to check for confirmed bookings).
- 4.) Leverage efforts of Travel Oregon, and their contractors, to increase their knowledge of the Yamhill County product through personal research trips and communications. Partners include Travel Trade & Media representation in Germany, Japan and the UK and the Oregon Tour & Travel Alliance.
- 5.) Host Travel Trade as part of county and statewide research tours.
- 6.) Establish relationships/regular communication with members to make sure that we are accurately representing their product to travel trade and to make sure that they have the tools and opportunities available to succeed.

# THE CHEHALEM VALLEY MARKETING PLAN

2014-2015 Tourism & Visitor Services



### III. Goal: Marketing and Communications—to increase visitor volume, visitor spending and economic impact for Newberg by developing awareness and preference.

The following tools are available, or will be developed, to help CVCC staff and volunteers in their media marketing efforts:

- 1.) All consumer tools outlined under Goal I
- 2.) **NEW:** Create full color general Newberg press kit materials in print and on-line with elements supporting our community identities and the core niches.
- 3.) **NEW:** Create talking points or fact sheet for use when trying to increase editorial content in guidebooks. Include basic area information, general description of Yamhill County and specific information on Newberg.

#### ADVERTISING

##### A. Objective: Baseline of product-based ads is established for future comparisons.

###### Strategies:

- 1.) CVCC advertises, and encourages local business to advertise, in regional/niche publications such as Northwest Travel Magazine, Travel Oregon official visitor guide, Travel Portland official visitor guide
- 2.) Travel Portland Guide and the Oregon Festival and Events Calendar. The results of the newly created visitor survey utilized to target our demographic.
- 3.) Ad design supports featured niches where possible with a Yamhill County theme focused on member products to buy.
- 4.) Ad co-ops are offered to local tourism partners through our relationship with Travel Oregon.

#### PUBLIC RELATIONS

##### B. Objective: Increase number of active media clients by 10%. (Active clients include those where at least one interaction has occurred during the fiscal year.)

###### Strategies:

- 1.) **NEW:** Manage comprehensive media contact program (from identifying the client, contacting client, sending sales lead, to follow up to check for confirmed bookings).
- 2.) **NEW:** Identify key media clients and keep them up-to-date with Newberg through regular contact. Identify potential media clients and establish a relationship through regular contact.
- 3.) **NEW:** Leverage efforts of Travel Oregon, and their contractors, to increase their knowledge of the Yamhill County product through personal research trips and communications. Partners include Travel Trade & Media representation in Germany, Japan and the UK and the Oregon Tour & Travel Alliance. Host Travel Trade as part of Yamhill County and statewide research.
- 4.) Pitch stories to editorial staff from all publications where Travel Oregon and the Willamette Valley Visitor Association advertise.

# THE CHEHALEM VALLEY MARKETING PLAN

2014-2015 Tourism & Visitor Services



**C. Objective: Newberg area festivals and events are listed/featured in targeted publications and on targeted radio stations. Establish baseline for future growth objectives.**

**Strategies:**

- 1.) Identify targeted newspapers and magazines with publish dates and send appropriate information to increase the number of festival and event listings.
- 2.) Identify targeted radio stations for giveaway offers of event tickets.
- 3.) Special seasonal press releases are sent to publications in our targeted markets.

**INTERNET/WEBSITE/SOCIAL NETWORKING**

**D. Objective: Increase number of website users by 10%.**

**Strategies:**

- 1.) Evaluate current site for keyword effectiveness.
- 2.) Review monthly reports to check use of site and make recommendations for improvements. Key areas of measurement include user sessions, unique users, repeat visitors, and click-throughs to CVCC's website, click-throughs to business websites, average length of session, search engine referrals and search engine results' placement of website.
- 3.) **NEW:** Increase volume of social networking, utilizing Facebook and Twitter to promote the area.

**Newberg Visitor Information Center  
2013-2014 Fiscal Year  
Third Quarter Report  
(January - March 2014)**

	Q3	YTD 13-14	Budget
<b>REVENUE:</b>			
City of Newberg	\$25,500.00	\$98,488.01	\$110,000.00
Newberg Chamber contribution	\$13,625.00	\$40,875.00	\$54,500.00
<b>TOTAL REVENUES:</b>	<b>\$39,125.00</b>	<b>\$139,363.01</b>	<b>\$164,500.00</b>
<b>EXPENSES:</b>			
Personnel	\$11,508.40	\$35,802.58	\$67,000.00
Marketing	\$11,009.77	\$24,829.42	\$44,521.00
Overhead/Utilities, etc.	\$7,173.47	\$34,883.62	\$52,979.00
<b>TOTAL EXPENSES:</b>	<b>\$29,691.64</b>	<b>\$95,515.62</b>	<b>\$164,500.00</b>
<b>NET INCOME</b>		<b>\$43,847.39</b>	

Net Income reflects the monies received but not spent. The balance of the funds are restricted to future destination marketing projects and will balance out the remainder of the fiscal year or result in reserves.

**2014-2015 Visitor Center Budget**  
 Presented by The Chehalem Valley Chamber of Commerce

**Income**

	14-15 BUDGET	13-14 BUDGET
City of Newberg	\$110,000	\$110,000
Chehalem Valley Chamber of Commerce Contribution	\$54,500	\$54,500
City of Dundee Contribution	\$2,500	
<b>TOTAL</b>	<b>\$167,000</b>	<b>\$164,500</b>

**Expenses**

<b>Personnel</b>	\$67,000	\$67,000
CEO		
Events Coordinator		
Visitors Center Coordinator		
Visitors Center - Seasonal Help		
Benefits - Health Insurance & Retirement		
Taxes		
<b>Marketing Expense</b>	\$47,021	\$44,521
Print Advertising		
Online Advertising		
Tourism Magazine - City Map		
Travel Yamhill Valley - Dig our Valley Campaign		
Willamette Valley Visitors Association - Co-op Ad Opportunities		
Governors Conference on Tourism - Oregon Destination Marketing Conference		
First Friday Artwalk participation/Trolley Sponsorship		
Camellia Festival Support and Trolley Sponsorship		
Newberg Christmas Lights Seasonal Electricity		
Event Marketing - Camellia Festival, Tunes on Tuesday, Brews & BBQ		
Website modifications		
Travel Yamhill Valley - Membership		
Travel Oregon Co-op Advertising Opportunities		
Travel Portland Magazine		
Familiarization tour expenses		
Contingency marketing dollars set-aside for unique opportunities		
<b>Shared Expenses</b>	\$52,979	\$52,979
Calculated as 1/3 of overhead in Chamber Budget applicable to tourism		
Includes: Dues/Subscriptions, Bank Fees, Insurance, Internet/Web,		
Miscellaneous, Supplies, Postage, Leases, Printing, Rent, Capital		
Improvements, Repair/Maintenance, Telephone, Utilities		
Professional Fees		
Mileage,		
<b>TOTAL</b>	<b>\$167,000</b>	<b>\$164,500</b>

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# REQUEST FOR COUNCIL ACTION

DATE ACTION REQUESTED: JUNE 2, 2014

Order \_\_\_      Ordinance \_\_\_      Resolution XX      Motion \_\_\_      Information \_\_\_  
No.              No.              No. 2013-3135

**SUBJECT: A resolution granting a twelve (12) year agricultural lease between the city of Newberg and Harold Medici**

Contact Person (Preparer) for this  
Motion: James (Jay) Harris  
Dept.: Engineering Services Department  
File No.:

HEARING TYPE:              ADMINISTRATIVE

## RECOMMENDATION:

Adopt Resolution No. 2013-3135 granting a twelve (12) year agricultural lease between the city of Newberg and Harold Medici.

## EXECUTIVE SUMMARY:

1. The city owns property North of Bell Road in Yamhill county that is the site of the Oliver Springs facility improvements. The property is shown as tax lot 4501 on Yamhill County Tax Map 3S-2W-5, comprising approximately 20.28 acres.
2. Mr. Hal Medici contacted the city several years ago with a proposal to purchase or lease a portion of the aforementioned property. Mr. Medici owns the winery located at 28005 NE Bell Road, adjacent and east of the Oliver Springs property.
3. City Staff reviewed the property purchase request from Mr. Medici and found that the site is of proper size and is at the correct elevation for the construction of a future water reservoir to service future customers in pressure zone 4. Staff met with the city council in executive session on December 2, 2013 and discussed the potential options. Council concurred that sales of the property was not in the best interest of the city.
4. Staff has had multiple phone conversations and meetings with Mr. Medici to discuss various leasing scenarios. The attached lease agreement Exhibit A will permit Mr. Medici to remove the overgrown vegetation and aging filbert orchard from city property and plant a small 3.45 acre vineyard. The small vineyard will have minimum value cash crops, but will significantly improve the appearance of the entrance to the Medici Winery and tasting room.
5. The proposed lease, attached as Exhibit A, commences at \$140.00 per acre in January of 2015, and includes a lease increase every four years, that averages 3.35% per year over the 12-year lease period. A 2009 study completed by Oregon State University found that in the southern Willamette Valley average lease rates for irrigated crop land range from \$110.00 to \$190.00 per acre.
6. A 12-year term is proposed for the new lease, which will allow time for the vineyard to mature. Anytime during the 12-year lease period, the city has retained the right to develop a future reservoir and/or water systems improvements on the property, as outlined in item #9 in the lease agreement.

7. City staff met onsite with the property owners David and Sara Spector adjacent and south of the proposed lease area on 4/29/2014 to discuss the potential farming lease, future reservoir plans by the city, and a small landscape encroachment from Sectors' site onto city property. The Sectors' are concerned of the visual impact that a future reservoir structure may have on their property value. Staff indicated that the reservoir will most likely be sited over 100 feet from the common property line, and upon completion of the reservoir, a fir tree landscape buffer will be installed. The Sectors' were also concerned about the potential for herbicides and pesticides may be used on the proposed vineyard if the farming lease is approved. We discussed that the proposed lease has provisions to follow organic farming practices, and the Sectors' were amenable to the lease, as long as Mr. Medici follows the lease provisions.
8. City staff met with the property owner Butch Bochart located west and south of the proposed lease area on 4/24/2014 to discuss concerns regarding potential water quality impacts to the Springbrook Water Association spring water collection system currently operated by Mr. Bochart. On 4/26/2014 Staff received an email from Mr. Mark Meinert representing the Springbrook Water Association requesting that the proposed farming lease is postponed for 60 days while the Association evaluates the lease proposal.

Mr. Medici contacted Mr. Meinert and discussed his proposed farming methods/practices for the property, and agreed that all farming will be performed using industry accepted organic practices. Staff contacted Mr. Meinert on 5/2/2014 and confirmed that adding the provision of organic farming methods to the lease agreement was acceptable to their organization, and he was in concurrence.

#### **FISCAL IMPACT:**

The Medici farming lease provides income to the city, totaling \$6,624.00 over the 12-year lease period.

#### **STRATEGIC ASSESSMENT:**

It is in the city's interest to have its currently-unused lands under city ownership well maintained utilizing farming activities. It is important to have this done by a reputable, environmentally-conscious professional who will protect the quality of the property for the future benefit of the city.



## ***RESOLUTION No. 2013-3135***

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### **A RESOLUTION GRANTING A TWELVE (12) YEAR AGRICULTURAL LEASE BETWEEN THE CITY OF NEWBERG AND HAROLD MEDICI**

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#### **RECITALS:**

1. The city owns property North of Bell Road in Yamhill county that is the site of the Oliver Springs facility improvements. The property is shown as tax lot 4501 on Yamhill County Tax Map 3S-2W-5, comprising approximately 20.28 acres.
2. Mr. Hal Medici has requested a farming lease on the lower 3.45 acres of the Oliver Springs property, as shown on the attached Exhibit A. Mr. Medici owns the winery located at 28005 NE Bell Road, adjacent and east of the Oliver Springs property, and has plans to plant a small vineyard on the city owned property to improve the appearance of the entrance to his winery and tasting room.
3. The proposed lease, attached as Exhibit A, commences at \$140.00 per acre in January of 2015, and includes a lease increase every 4 years, that averages 3.35% per year over the 12-year lease period. A 2009 study completed by Oregon State University found that in the southern Willamette Valley average lease rates for irrigated crop land range from \$110.00 to \$190.00 per acre.
4. A 12-year term is proposed for the new lease, which will allow for time for the vineyard to mature. Anytime during the 12-year lease period, the city has retained the right to develop a future reservoir and/or water systems improvements on the property, as outlined in item #9 in the lease agreement, attached as Exhibit A.

#### **THE CITY OF NEWBERG RESOLVES AS FOLLOWS:**

1. The city grants a twelve-year lease of the farmland between the city and Harold Medici, the lease period extending to December 31, 2026, as shown in the attached lease Exhibit A.
2. The city recorder is authorized to execute all necessary documents to grant the lease for the 12-year term.

3. The city attorney is authorized to negotiate any other terms and conditions that might be necessary and modify and/or approve provisions of the lease as deemed necessary.

➤ **EFFECTIVE DATE** of this resolution is the day after the adoption date, which is: June 3, 2014.

**ADOPTED** by the city council of the city of Newberg, Oregon, this 2<sup>nd</sup> day of June, 2014.

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Norma I. Alley, MMC, City Recorder

**ATTEST** by the Mayor this 5<sup>th</sup> day of June, 2014.

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Bob Andrews, Mayor

**CITY OF NEWBERG**  
**FARM LEASE**

**EXHIBIT A**

THIS FARM LEASE AGREEMENT ("Agreement") is made and entered into on the \_\_\_\_\_ day of \_\_\_\_\_, 2014 between the City of Newberg ("Lessor") and Harold J. Medici ("Lessee").

**AGREEMENTS**

NOW, THEREFORE, for the consideration of the agreements set forth in this Agreement and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

- 1. Property to be Leased.** The Lessor leases to the Lessee the following described property on the terms and conditions stated below:

A Portion of Tax lot 4501, Tax Map 3S-2W-05, Yamhill County, Oregon, comprising approximately 3.45 acres, as shown on the attached Exhibit A, Lease Area Sketch.

- 2. Term.** The term of this lease shall commence on the date of this Agreement and continue to December 31, 2026, subject to termination for default and termination by notification as set out in Paragraphs 12 and 13 of this Agreement.

- 3. Annual Lease Payments.** The Lessee shall pay annual rent to the Lessor for the leased premises as follows:

\$483.00 on or before January 1, 2015, 2016, 2017, 2018	(\$140/acre)
\$552.00 on or before January 1, 2019, 2020, 2021, 2022	(\$160/acre)
\$621.00 on or before January 1, 2023, 2024, 2025, 2026	(\$180/acre)

Make payment directly to **City of Newberg, Public Works Director, P.O. Box 970, 414 E. First Street, Newberg, Oregon 97132**

- 4. Farming Practices.** Lessee shall farm said land in a good farmer-like manner according to organic farming practices adopted by the USDA and other regional organizations, due to sensitive water quality areas located nearby. Lessee shall not discharge waste onsite or cause damage to adjacent properties from soil erosion, pesticides, herbicides, crop maintenance/harvesting or any other activity by lessee. Lessee acknowledges that the Lessor has located on the property existing waterworks collection, treatment, and distribution systems for municipal water use, and may install additional water pumping, storage, treatment, electrical, and/or distribution systems during the lease period. The Lessee shall farm said land in a good farmer-like manner, but regardless of the farming practices in the area Lessee shall farm in a manner that complies with Attachment "B" (Additional Farming Conditions) which is attached hereto and by this reference incorporated herein.

- 5. Structures.** The installation of temporary and/or permanent structures by lessee is not permitted within the lease area without obtaining prior written approval from the lessor.

- 6. Value of Lessee Agricultural Crop Upon Expiration of Lease Term.** Upon expiration of the term of this lease or early termination thereof, agricultural crops within the lease area may be removed at City discretion/cost, and not harvested in the future by Lessor. However, at the time of such removal, the Lessor shall reimburse the lessee the value of the last full year lease payment paid by lessee, as full compensation for the value of the agricultural crop.

7. **Notice to Quit the Premises.** Lessee waives notice to quit the premises at the expiration of the term of this lease or renewal thereof, and agrees to surrender possession of the leased premises to Lessor or its successor in interest. Lessee, however, shall have the right to harvest the crop for the year in which the lease or renewal thereof expires or is terminated if such crop, or crops, have not yet been fully harvested. All irrigation equipment belonging to Lessee and used on the leased premises shall remain the property of Lessee.
8. **Failure of Lessee to Pay Rent.** Lessee shall perform his agreements contained herein at the time and in the manner herein stated. In the event of failure of Lessee to pay rent within thirty (30) days after it is due and/or to other defaults by Lessee in the performance of the agreements herein, Lessor shall give thirty (30) days written notice to Lessee. Thereupon, unless the default is remedied within the thirty (30) day period of the notice, the Agreement shall terminate and the Lessor may enter into possession of the leased premises.
9. **Compensation for Crop Loss due to Water Systems Development.** Lessor retains the right to complete any future waterworks system improvements within the lease area, including but not limited to water pumping, treatment, storage, landscaping, electrical, and/or distribution systems during the lease period. The Lessor shall to provide just compensation for agricultural crop loss due to development on the property at the rate of \$0.10 per square foot of disturbed lease area (equals \$4,356.00 per acre). The Lessor shall make all efforts possible to minimize crop damage during any future water systems development and shall notify lessee of proposed improvements in writing prior to construction of improvements.

Upon completion of any water systems development disturbing an area greater than 2,000 square feet, the lease area and yearly payments identified in paragraphs 1 and 3 above may be adjusted and pro-rated accordingly. All other tenants of the lease agreement remain in effect through the lease term.

10. **Non-assignment.** The Lessor is very concerned about the farming operations conducted on the property since the property is adjacent to the source of the municipal water supply for the Lessor, and upstream to the Springbrook Water Association spring water collection and treatment system. The Lessor needs to be assured that the farming operations conducted by the lessee will be carried out using organic farming practices to a very high standard. Therefore, this Agreement cannot be assigned, transferred or any portion of the property be subleased without prior consent by Lessor. The Lessor may give written permission for an assignment, transfer or sublease. However, such permission is totally within the discretion of the Lessor and the Lessor may require additional conditions, change in terms including rent payment as a condition of consent.

If the Lessor consents to a land swap between the Lessee and other farm entities, subject to the other farm entity agreeing to abide by the terms and conditions of this Agreement, including the farming practices in Attachment "B". Upon land swapping, other farm entities will enter into a written acknowledgment to the Lessee to abide by these terms and conditions and the Lessee shall provide the Lessor with a copy of that acknowledgment. The Lessor shall send any notice of default of the Agreement to the Lessor who is responsible to notify any other farm entity.

11. **Indemnification.** Each party agrees to indemnify and hold harmless the other party for any claims or actions due to that party's actions or negligence. The Lessee agrees to defend and indemnify the Lessor against any actions due to the Lessee's farming operations upon the property.
12. **Early Termination.** Lessor may terminate this lease prior to December 31, 2026, if Lessor elects, in its sole discretion, that the Lessee has violated one of more of the items contained within this agreement. Lessor must provide the Lessee a minimum of a three (3) month written notice of lease termination. Lessee, however, shall have the right to harvest the crops for the

crop year in which the lease is terminated if the crops have not yet been fully harvested.

The lease agreement can be terminated at any time during the lease period, with mutual written agreement of both parties.

- 13. **Notice.** Any notice that is required to be sent by the terms and conditions of this Agreement shall be sent by Certified Mail, Return Receipt Requested, or delivered personally as follows:

City of Newberg  
Public Works Director  
PO Box 970  
414 E. First Street  
Newberg, OR 97132  
503-537-1211

Harold J. Medici  
c/o Medici Winery  
28005 NE Bell Road  
Newberg, Oregon 97132  
503-538-9668

- 14. **Insurance:** Lessee shall maintain a property insurance policy to cover any losses sustained to Lessors property. It is acknowledged that Lessor may not maintain insurance to cover property and/or crop damage or loss caused by fire, theft, rain, water, overflow/leakage, acts of god, and/or any other causes. It is further acknowledged that the Lessor is not responsible for the aforementioned occurrences, and that the Lessee insurance policy shall indemnify Landlord for any losses sustained. The failure for the Lessee to maintain said insurance policy shall be a complete waiver of the right of the Lessee to seek damages against Lessor for any damages stated.

- 15. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties relative to the farm lease of the above described property and supersedes all prior agreements between the parties relating thereto. This Agreement may be modified only by instrument in writing signed by both parties.

IN WITNESS WHEREOF, the parties have executed this Farm Lease Agreement in duplicate as of the \_\_\_\_\_ day of \_\_\_\_\_, 2014.

**CITY OF NEWBERG**  
(Lessor)

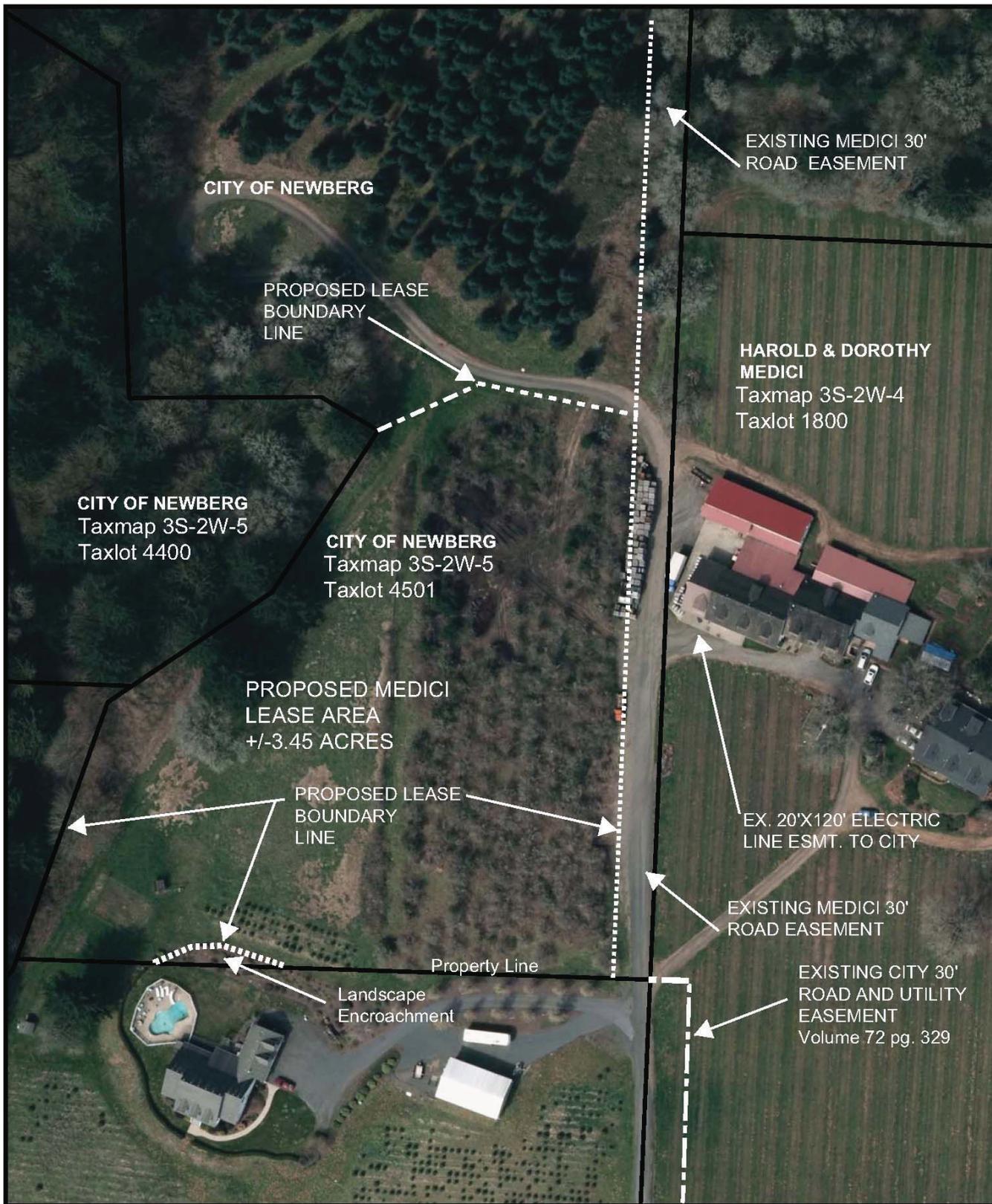
**Harold J. Medici**  
(Lessee)

By: \_\_\_\_\_  
Norma Alley  
City Recorder

By: \_\_\_\_\_  
Harold J. Medici

APPROVED AS TO FORM:

\_\_\_\_\_  
Truman A. Stone  
City Attorney



Medici Winery - Oliver Springs  
Lease Area Sketch

Exhibit A  
Lease Area Sketch

5-14-14 1"=100'

ATTACHMENT "B"

ADDITIONAL FARMING CONDITIONS  
City of Newberg Farm Lease

1. Storage of agricultural chemicals, pesticides and fertilizers on-site shall be prohibited.
2. No manure and/or decomposing organic material shall be stored or stockpiled on-site. Agricultural chemicals shall be stored in locked buildings in standard approved packaging with labels clearly indicating their contents.
3. Chemicals shall be applied to cropland using organic farming practices under Best Management Practices (BMP) established by the USDA and the State of Oregon Department of Agriculture. BMP's may include and are not limited to the following:
  - a. Chemicals shall be applied strictly in accordance with authorized uses, label directions and other federal, state and local government policies and requirements;
  - b. No manure shall be applied on-site unless such application meets all state and federal requirements;
  - c. Irrigation of crops at rates, recommended in the Oregon State University Irrigation Guide, that do not promote leaching below the root zone;
  - d. Do not flood irrigate within 50 feet of wells and/or property lines;
  - e. Spray equipment shall be properly calibrated and maintained;
  - f. All mixing and application of chemicals shall conform to organic farming practices and performed by an Oregon licensed applicator;
  - g. Rinse water from containers and application equipment shall be diluted and spread on crops;
  - h. Chemical use shall be organically registered at the federal, state and local levels;
  - i. Mixing of chemicals shall be done in a designated area in the general vicinity near the property.
4. Lessee shall maintain an annual record of all chemicals used on the cropland including quantity, application rate and application period. Record shall be submitted to Lessor upon request. The record shall include the date of application, EPA chemical number, amount applied, and the trade name.
5. Lessee shall notify the Lessor of any spills of agricultural chemicals and fuels exceeding 5 gallons.
6. Agricultural chemicals shall not be applied within 100 feet of any well.
7. Permanent storage of fuels (e.g. gasoline, diesel) within the lease area shall be prohibited.
8. Lessor shall reserve the right to inspect farming practices. Lessor shall also reserve the right to terminate the lease agreement, upon proper notification outlined in the lease agreement, if the above practices are not followed.

INITIALS:

Lessor: \_\_\_\_\_

Lessee: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_