

**CITY OF NEWBERG CITY COUNCIL MINUTES
JUNE 16, 2014, 7:00 PM
PUBLIC SAFETY BUILDING (401 E. THIRD STREET)**

A work session was held at 6:00 PM preceding the meeting. A review of the council agenda and meeting was done with a welcome party for the new city manager afterward. All councilors, the mayor, city manager, city attorney, city recorder, minutes recorder, and department heads were present. No action was taken and no decisions were made.

I. CALL MEETING TO ORDER

Mayor Andrews called the meeting to order at 7:10PM.

II. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was performed.

III. ROLL CALL

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

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| Staff Present: | Jacque Betz, city manager | Truman Stone, city attorney |
| | Lee Elliott, city manager pro tem | Norma Alley, city recorder |
| | Janelle Nordyke, finance director | Nicole Tannler, minute recorder |

Others Present: Robert Soppe, Sheryl Kelsh, and Vipul Patel

IV. SPECIAL PRESENTATIONS

City Attorney Truman Stone administered an Oath of Office for Ms. Jacque M. Betz appointing her as the city manager.

V. CITY MANAGER'S REPORT

Mr. Lee Elliott, city manager pro tem, reported they are trying to close the books on the budget and get the department heads ready for the changeover.

VI. PUBLIC COMMENTS

Mayor Andrews opened and closed the public testimony; no citizens appeared.

VII. CONSENT CALENDAR

1. Consider a motion adopting **Resolution No. 2014-3143** adding the Oregon Savings Growth Plan to the employees' choices for deferred compensation investments.
2. Consider a motion adopting **Resolution No. 2014-3147** affirming the bids received by the Oregon Department of Transportation for the N. College Street Sidewalk and Bike Lanes Improvement Project.

3. Consider a motion adopting **Resolution No. 2014-3148** authorizing the city manager to execute amendment three to the professional services agreement with Parametrix, Inc. for the Wynooski to Riverfront Utilities Project in the amount of \$80,627.00.
4. Consider a motion adopting **Resolution No. 2014-3150** revising existing alcohol usage policies on city of Newberg owned property within the Newberg Cultural District.
5. Consider a motion adopting **Resolution No. 2014-3152** approving the purchase of a replacement 280 HP wastewater influent pump from Xylem Water Solutions for \$79,029.03.
6. Consider a motion adopting **Resolution No. 2014-3153** accepting the canvass of votes for the May 20, 2014, Primary Election.

Item number 2 was pulled from the consent calendar and moved to the July 21, 2014 City Council Business meeting.

MOTION: Rierson/Corey adopting **Resolution No. 2014-3143** adding the Oregon Savings Growth Plan to the employees' choices for deferred compensation investments, **Resolution No. 2014-3148** authorizing the city manager to execute amendment three to the professional services agreement with Parametrix, Inc. for the Wynooski to Riverfront Utilities Project in the amount of \$80,627.00, **Resolution No. 2014-3150** revising existing alcohol usage policies on city of Newberg owned property within the Newberg Cultural District, **Resolution No. 2014-3152** approving the purchase of a replacement 280 HP wastewater influent pump from Xylem Water Solutions for \$79,029.03, and **Resolution No. 2014-3153** accepting the canvass of votes for the May 20, 2014, Primary Election as amended. Motion carried (7 Yes/0 No).

VIII. PUBLIC HEARING

1. Consider a motion adopting **Ordinance No. 2014-2771** approving an increase in the Transient Lodging Tax.

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

Ms. Janelle Nordyke, finance director, presented the staff report (see official meeting packet for full report).

MOTION: Howard/Bacon to open the public record on oral and written testimony for Ordinance No. 2014-2771. Motion carried (7 Yes/ 0 No).

Ms. Sheryl Kelsh, Chamber of Commerce president/CEO, testified she was in support of the ordinance and urged the Councilors to support the amendment giving the hotel partners the chance to prepare.

Mr. Vipul Patel stated he has been part of the community for almost 20 years now and has three hotels in Newberg. We have pre-bookings so it would be helpful if we had a little more time to gradually implement the increase.

Councilor Ryan Howard stated we do recognize this is a hardship on the businesses and I appreciate you coming today. I want to note the original increase was to 3% in July and we are trying to lessen that for you with this ordinance. Councilor Bart Rierson said hopefully another way we can help is that 70% of this goes back toward tourism that can help you in the long run.

Mr. Robert Soppe testified he felt that the Council is not clear enough about the 30/70 split in the first increase. Strictly following State law, we would increase tourism spending by about \$80,000 instead of the \$47,000 that we are increasing it. It may fit within State law, but we need to be clearer about it. In fact, we are cutting what we are presently spending on tourism before the increase. With regard to the lack of notice, at least two Budget Committee agendas as far back as January 2013 mentioned this increase. If anyone really cared to keep up with this, the Council made the information readily available. Council has apparently accepted the Travel Oregon study about the amount of revenue that this should generate. According to their study, the first increase should result in \$9.3 million of new spending by tourists and the second increase should result in \$16 million of new spending. A local establishment affected by the TLT increase should not have to capture much of this new spending to recover all of the increase. Councilor Howard disagreed with the first issue and pointed out the city is presently spending more than legally required on tourism and that the city will, in fact, be spending 70% of the increase. Mr. Soppe responded that this is correct but that some of this 70% is already being spent. He felt it was disingenuous to claim that we are spending 70% of the increase when \$34,000.00 of it comes from what is already being spent on tourism. The second increase does directly fit with the 70% standard.

Councilor Mike Corey replied I understand there is a hardship on the business owners but I will not be in support of this.

Mayor Andrews said I do not think there has been any direct outreach to the hospitality industry from staff or the councilors and I think we should have a bit of criticism for this.

Councilor Lesley Woodruff stated I understand the city needs money, but I also understand that the tourist are not here and will not know the increase. It is hard that this particular tax increase will be paid by people who are not here in Newberg and I am still on the fence.

Councilor Bart Rierson said I will be supporting the ordinance and I was the one that wanted staff to do some outreach. I think we would not be good business partners if we did not increase this in phases.

Councilor Denise Bacon said I am also going to support this motion. I think it is a fair tax and the way we do it is fair by putting a percentage back into tourism because we know it is well spent. I am glad to see the change.

Councilor Woodruff asked Ms. Betz what she thought. Ms. Betz replied we put a plan together before the increase was brought to council and were in touch with the businesses and the chamber prior. I think the amendment you have tonight is a good compromise.

Councilor Stephen McKinney said I have been torn on this issue and I think there are some facts that should not be overlooked. We currently are on the low end of the spectrum and the discussion probably will not end here tonight with comparisons to other cities. I think sometimes staff was reluctant to have this conversation on the TLT increase. I am reluctant to support this tonight because we did not do a good job of reaching out to our business partners, but probably will support it.

MOTION: Howard/Rierson amending Ordinance No. 2014-2771 to increase the Transient Lodging Tax to 7.5% on October 1, 2014 and then to 9% on July 1, 2015. Motion carried (6 Yes/ 1 No [Corey]).

MOTION: Rierson/Howard approving Ordinance No. 2014-2771 to increase the Transient Lodging Tax as amended and read by title only. Motion carried (6 Yes/ 1 No [Corey]).

2. Consider a motion adopting **Resolution No. 2014-3145** adopting the city of Newberg, Oregon budget for the 2014-2015 fiscal year, making appropriations, levying a property tax, and approving the city of Newberg's participation in the state revenue sharing program.

Mayor Andrews introduced the administrative hearing and called for any conflicts of interest or abstentions; none appeared.

Ms. Janelle Nordyke, finance director and Lee Elliott, city manager pro tem, presented the staff report (see official meeting packet for full report).

MOTION: Howard/Woodruff adopting **Resolution No. 2014-3145** adopting the city of Newberg, Oregon budget for the 2014-2015 fiscal year, making appropriations, levying a property tax, and approving the city of Newberg's participation in the state revenue sharing program. Motion carried (6 Yes/1 No [McKinney]).

IX. NEW BUSINESS

MOTION: Howard/Bacon adopting **Resolution No. 2014-3154** to amend the Collective Bargaining Agreement between the City and the Newberg-Dundee Public Safety Association that extends the contract for 90 days, until September 30, 2014. Motion carried (7 Yes/0 No).

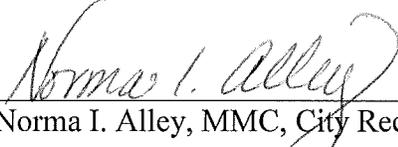
X. COUNCIL BUSINESS

Mayor Andrews said I am looking for council concurrence to direct staff to develop a request for council action to get a TLT steering committee started for outreach of the business community. It will be an on-going advisory body to the council.

X. ADJOURNMENT

The meeting adjourned at 8:43PM.

ADOPTED by the Newberg City Council this 4th day of August, 2014.



Norma I. Alley, MMC, City Recorder

ATTEST by the Mayor this 6 day of August, 2014.



Bob Andrews, Mayor