

CITY COUNCIL MINUTES
JUNE 3, 2013
7:00 P.M. MEETING
PUBLIC SAFETY BUILDING TRAINING ROOM (401 EAST THIRD STREET)

A work session was held prior to the meeting. A presentation was given by Mr. Barton Brierley involving a video produced regarding the Design Star Program. No action was taken and no decisions were made. All Councilors and the Mayor were present.

I. CALL MEETING TO ORDER

Mayor Bob Andrews called the meeting to order at 7:01 PM.

II. ROLL CALL

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

Staff Present:	Daniel Danicic, City Manager	Terry Mahr, City Attorney
	Janelle Nordyke, Finance Director	Barton Brierley, Planning and Building Director
	Norma Alley, City Recorder	Mandy Dillman, Minutes Recorder

Others Present: Pat Haight, Steve & Denise Wozniak, Paul Bock, Diane Dority, Robert Soppe, and Sheryl Kelsh

III. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was performed.

IV. CITY MANAGER'S REPORT

Mr. Daniel Danicic, city recorder, reported the County Commission hearing for the south industrial urban growth boundary (UGB) amendment will be held on Thursday. The grand opening of a new stationary and gift shop, Pulp and Circumstance, will happen during First Friday Art Walk this week. He welcomed Ms. Norma Alley, city recorder, back from maternity leave and said the city had missed her during her absence.

V. PUBLIC COMMENTS

Ms. Pat Haight said she noticed the city was hiring a new city attorney and asked if Mr. Terry Mahr, city attorney, would be receiving Public Employee Retirement System (PERS) money upon retirement. Mayor Bob Andrews replied he would not be retiring under the PERS program and therefore would not be receiving any PERS money. He explained the new city attorney would start under the PERS program because of the agreement the city has with PERS. Ms. Haight asked what the total benefits number was for the life insurance policies the city carries. Mayor Andrews said he did not have that number available; however, he could ask the city recorder to find out. Ms. Haight mentioned the 37% increase in PERS next year, and said it seemed like a lot to her. Mayor Andrews told her the city does not determine the number because it is an unfunded mandate managed by the state agency.

Mr. Steve Wozniak and Ms. Denise Wozniak came to the city to request putting a replacement well on their property. Mr. Wozniak read a letter he had sent into the city. The letter stated they had lived on their property

for thirty-seven years and they currently have six family members living on their property including a disabled veteran. The Newberg Dundee bypass project has taken 1.2 acres of their land, which includes their house, septic system, and current well. This leaves them with barns, horse stalls, and pastures, with no water. The Oregon Department of Transportation (ODOT) has given them compensation to meet relocation needs only if they rebuild on their property. The Wozniak's have been meeting with Mr. Barton Brierley, planning and building director, concerning their position and it has been decided they need to ask the city council to allow them a special ordinance to construct a new well on their property.

VI. CONSENT CALENDAR

1. Consider a motion adopting **Resolution No. 2013-3049** supporting a grant application to develop a downtown revitalization plan.
2. Consider a motion recognizing Doris Brandt for her years of service on the Traffic Safety Commission.
3. Consider a motion adopting **Resolution No. 2013-3046** adopting the procedures for hiring the city attorney.

This item was pulled from Consent Calendar and moved to New Business.

4. Consider a motion adopting **Resolution No. 2013-3048** authorizing a contract amendment for construction of an access road at the waste water treatment plant.
5. Consider a motion approving the May 6, 2013, City Council meeting minutes.

<p>MOTION: Bacon/Rierson adopting Resolution No. 2013-3049 supporting a grant application to develop a downtown revitalization plan, recognizing Doris Brandt for her years of service on the Traffic Safety Commission, adopting Resolution No. 2013-3048 authorizing a contract amendment for construction of an access road at the waste water treatment plant, and approving the May 6, 2012, City Council meeting minutes. Motion carried (7 Yes/0 No).</p>

VII. PUBLIC HEARING

1. Consider a motion adopting **Ordinance No. 2013-2769** creating the College Street Local Improvement District for the west side frontage improvement from Illinois Street to Aldercrest Drive.

(Legislative Hearing – 1st Reading)

Mr. Jay Harris, city engineer, gave the council an update on the Local Improvement District (LID) process for the College Street improvements. He explained ODOT has given the city \$80,000.00 to use for the west side of College Street and US Bank has given them a market rate value of 3.67% for financing. Staff is proposing to use 1.5% in the loan rate, and tonight council should discuss what the maximum loan term length should be and if 1.5% is the best number for the rate. The loan length must be no less than ten years. He asked Ms. Janelle Nordyke, finance director, if it would work if they allowed citizens to pick their own loan length with choices from ten, fifteen, twenty, twenty-five, and thirty years. Ms. Nordyke explained staff is not recommending this option because it would be difficult to manage. Council should choose the same loan length and interest rate for all affected citizens.

Councilor Mike Corey asked how the city will be funding loans at 1.5%. Mr. Harris explained they currently have \$194,000.00 from system development charges allocated for the project. Councilor Corey asked if the city

would be able to cover the loans if every affected citizen needed a loan. Mr. Harris said the city does have the money if that happens.

Councilor Denise Bacon asked if citizens could pay off their loan early if council chooses to make the loan length thirty years. Ms. Nordyke said they could.

Discussion commenced regarding the details of the LID loan, including if the loan could be paid off early with no penalty fee, and whether payments could be made bi-annually or more frequently if desired.

Councilor Bart Rierson commented they have not seen an estimate of how much ODOT will pay for right-of-way acquisitions. Mr. Harris replied it has not been determined what the amount will be; however, ODOT has eighteen active files they are working on.

Mr. Danicic clarified a point in the discussion, stating the municipal code says the amount of payment is determined by the city and paying bi-annually is a past practice; therefore, the city has the flexibility to change the terms if they so desire. Councilor Rierson questioned if the property is sold before the term is complete, would the balance be due then or carryover to the new property owner. Mr. Danicic stated there would be a lien placed on the official docket of the property and it would be paid when ownership was transferred.

Public Testimony

Mr. Paul Bock said he is correcting his mistake of not being specific with his past requests. He stated the College Street neighbors would like to ask the city to split the remainder of the cost after the ODOT grant 50/50 with the homeowners. He also asked the city to choose a thirty year loan, since most homeowners stay in their home an average of 6-9 years which would give the city back their money faster and would lessen the payments of those who wish to stay in their homes longer.

Ms. Diane Dority came to speak on behalf of Mike Hainline, Jaquith Park Estates Homeowners Association manager. Mr. Hainline's first concern was with the municipal code regarding the LID, which states all peoples who benefit will be helping pay for the project. She explained only the west side of College Street owners will be paying for the LID and wanted to know why the east side owners will not when they will be benefiting from the sidewalk improvements as well. Councilor Rierson explained the thought behind this was the west side would pay for improvements of the west side of College now, and when they east side is developed the east side of College will be responsible then. Ms. Dority asked if this is the case then where are the plans for the east side improvements. She wondered if the projects should be coordinated simultaneously. Councilor Rierson further explained the city only has so much grant funding and therefore can only do so many projects at once. The grant money for this project is partially coming from the Safe Route to School program; therefore it only covers the west side, which is a school route. Ms. Dority continued to say there are a lot of people frustrated by how this is being paid for and it seems to her it would go much smoother if owners on both sides of the road paid for the project. She also expressed frustration at the process citizens have to go through to get answers and most of the time the answers are not helpful to them. Councilor Rierson informed Ms. Dority this is the reason the city has budgeted for an ombudsman position, to help citizens navigate complicated issues with the city. Ms. Dority asked if there would be a six month interval where this project is revisited. Councilor Rierson said it was not likely. Ms. Dority asked if there was a way to find out if there was an individual on the east side who was affiliated with the city and preventing the east side from being included in the LID. Mayor Andrews said it is required if there is a conflict of interest from a member of the Council the person must declare it. He explained he has a conflict of interest because he is a member of a church involved. Ms. Dority thanked him for his answer.

Mr. Robert Soppe brought forth two issues, the first being a technical correction on the Ordinance on pages 43 and 44 which states there will be biannual payments, while the Ordinance explains payments decrease with each payment. Mr. Soppe said it is fairly trivial; however Table 4 should be labeled correctly to match the Ordinance

as accuracy is very important since it could cause confusion. The larger issue was the appropriate interest rate to charge for the LID. Mr. Soppe said he feels 1.5% is not fiscally responsible to offer on a loan as long as thirty years. Councilor McKinney agreed with Mr. Soppe because the city's interest rate with US Bank is 3.6% and they are locked in at 1.5%; if rates go up for the city, there could be a problem. Ms. Nordyke mentioned they could look at other sources as well.

Staff recommends adopting Ordinance No. 2013-2769 creating the College Street Local Improvement District for the west side frontage improvement from Illinois Street to Aldercrest Drive.

MOTION: Howard/Corey adopting Ordinance No. 2013-2769 creating the College Street Local Improvement District for the west side frontage improvement from Illinois Street to Aldercrest Drive with a fixed 15 year loan at 1.5% interest rate, waiving the second reading and read by title only.

Councilor Rierson expressed his concern for having a long term loan at such a low interest rate. He feels the city should split half the LID cost with the homeowners because the city already has the money set aside. This would also appease more citizens.

Mr. Danicic clarified the voting tally process is over and the 60% threshold was not met by properties, meaning they cannot come back and revote.

Councilor Howard thinks it is wise not to use transportation funds to pay for this project and having an LID is a good idea because so much of the project is being covered by grant money.

Councilor Bacon agreed with Councilor Howard, however she thinks the loan should be thirty years in length.

Mayor Andrews said he would like to see an option where citizens could pick the length of their loan. He also suggested having a cap so those with larger loans would not have to pay as much. Councilor Howard explained if they have a thirty year loan with no fees for paying it off early, it is basically the same as having multiple options on loan length. He also wondered if having a cap would be equitable with the code and if it would provide an unfair subsidy to landowners with the largest property. Mr. Mahr explained the code says to use a fair and reasonable method to determine the actual cost among benefiting property owners, and a cap would not be fair and reasonable.

VOTE: adopting Ordinance No. 2013-2769 creating the College Street Local Improvement District for the west side frontage improvement from Illinois Street to Aldercrest Drive with a fixed 15 year loan at 1.5% interest rate, waiving the second reading and read by title only. Motion failed (2 Yes [Corey, Howard]/5 No [Bacon, McKinney, Rierson, Woodruff, Andrews]).

Councilor Rierson said he is not in favor of waiving the second reading because of the public sentiment involved. Councilor Howard and Councilor Bacon withdrew their motion in light of Councilor Rierson's comment. Councilor Corey suggested offering a 5% discount if property owners paid their loan off early. Mr. Danicic informed the council the ordinance states it must be paid in full within thirty days or elect to use city financing.

Discussion commenced on raising the interest rate to two percent; it was determined the city makes \$0.54 for return on investments, and 2% versus 1.5% would not make much difference.

Mayor Andrews restated most owners occupy their homes for six to seven years, therefore they city will be getting their money back sooner than thirty years in most circumstances. He mentioned they should make sure there is language stating the balance is due at the time of a sale.

Discussion commenced on how to fund the loans.

Councilor Woodruff expressed concern that people may not be able to pay their portion of the LID if the city does not cover some of the costs. Councilor McKinney gave an example if a citizen had to pay \$30,000.00 over thirty years it would be \$300.00 twice a year.

MOTION: **Rierson/Andrews** directing staff to bring back **Ordinance No. 2013-2769** for the second reading with the citizens paying 75%, city funding 25% of the cost through the SDCs as previously adopted, payment structured at 1.5% interest over 30 years with balance due at time of sale, and a 5% discount if paid in full within 30 days. Motion carried (4 Yes/3 No [Bacon, Corey, Howard]).

MOTION: **Howard/Bacon** waive second reading, adopt **Ordinance No. 2013-2769** as amended to allow for a 30 year repayment term, balance due on sale provision, and a 5% discount if paid within 30 days, and to be read by title only. Motion carried (4 Yes/3 No [Rierson, Woodruff, Andrews]).

2. Consider a motion adopting **Resolution No. 2013-3047** adopting the 2013-2014 Budget and including the election to participate in the State Revenue Sharing Program.
(Administrative Hearing)

Mayor Andrews asked for conflicts of interest and none appeared.

Ms. Nordyke asked to amend page 82 of council's packet under resolves number 3; the aggregate amount of \$75,704,501.00 should be \$86,578,257.00, which is confirmed on page 87. Also on page 87 there was a scrivener error in the middle of the page, so the amount listed as \$450,000.00 should be \$425,000.00. The goal of staff is to prepare a balanced budget for the budget committee to approve and then give to city council to adopt. The definition of a balanced budget is: Total revenues, which includes beginning fund balance and estimated current revenues, less estimated current expenses, equals a positive ending fund balance. The ending fund balances differ from fund to fund, depending on the requirements of each fund. At the beginning of the first budget committee, staff handed out 2 revised pages. Since the budget committee didn't recognize these pages, staff would like to have council include page 88 in the adopted budget. This addressed an error, which should be \$10,000.00 in contractual services for the citizen's rate review committee meetings this fall. Staff and budget committee recommend adopting Resolution No. 2013-3047 as amended, by allocating State Shared Revenue funds on a 50/50 basis to police and fire, to adopt Newberg's budget in the aggregate of \$86,578,257.00 and as appropriated on pages 83-86, to impose taxes at the rate of \$4.237 for general operating purposes and \$425,000.00 for debt service and that these taxes are imposed and categorized for the tax year 2013/2014 upon the assessed value of all taxable property within the City, and to authorize and direct the Finance Director to certify the levy with the Yamhill County Assessor and county clerks offices.

Mayor Andrews opened and closed public testimony, as there was no one to testify.

MOTION: **McKinney/Bacon** adopting **Resolution No. 2013-3047** adopting the 2013-2014 Budget and including the election to participate in the State Revenue Sharing Program, as amended by staff. Motion carried (7 Yes/0 No).

VIII. NEW BUSINESS

Consider a motion adopting **Resolution No. 2013-3050** approving the FY 2013-2014 Chamber Visitor Information Center Business Plan and FY 2012-2013 3rd Quarter Report.

Ms. Cheryl Kelsh, president of CVCC, presented a staff report (see official meeting packet).

Councilor Bacon asked if they have done any work with customer service in wineries. Ms. Kelsh said they are working with Chemeketa Community College (CCC) and Portland Community College (PCC) to create a community-wide training program for customer service specifically for tourism which will be provided at no cost to businesses.

Discussion commenced on personnel expenses for the visitor center, determining Ms. Kelsh is a .4 employee and there is also a .33 marketing employee. Additionally, there will be quite a bit of budget going towards marketing, which will not affect the budget until the third quarter.

Mr. Soppe complimented the Visitor Center on their favorable information; however, he said the Chamber presentation has mentioned numerous times a rate of return from investment in advertising that has not been substantiated. He also feels the Chamber directory of local businesses should include all businesses and not just those associated with Chamber members. If the Chamber decides to include only their businesses, he feels they should pay the full cost of the publication. Councilor Howard agreed with Mr. Soppe, stating if Visitor Center funds are being used for the publication, which are inevitably city monies, it should not be limited to Chamber businesses.

Councilor Bacon asked if they allow non-Chamber members in the flyer. Ms. Kelsh replied they do. She explained the flyer is two pieces, the larger booklet with the Chamber directory and then a saddle-stitched piece on the inside with the tourism promotional pieces. The non-members are listed in the middle portion; however, she is open to discussing changing the flyer in the future.

Mayor Andrews asked Ms. Kelsh to bring the issue before the Chamber. Councilor Howard mentioned he does not care if it is specifically Chamber information, the issue is the Visitor Center is paying for the publication and therefore it should be inclusive of all businesses.

Councilor McKinney mentioned the flyer is not the Yellow Pages and it makes sense to him the publication is Chamber related. He feels those businesses which are not Chamber related and are included in the publication are receiving a benefit from the city, and business promotion is the job of the owner not the city. Councilor Bacon wondered if they could sell additional ad space to help cover costs. Ms. Kelsh mentioned the new city map includes advertisement spaces from businesses outside the Chamber.

MOTION: Rierson/Bacon adopting Resolution No. 2013-3050 approving the FY 2013-2014 Chamber Visitor Information Center Business Plan and FY 2012-2013 3rd Quarter Report. Motion carried (7 Yes/0 No).

IX. COUNCIL BUSINESS

1. Wozniak's Request for a Well.

Councilor Rierson mentioned he asked the planning director about the property and he confirmed it is in city limits and the closest water source is a quarter of a mile away. He asked what reasons other than the typical procedure would prohibit them putting a well on their property. Mr. Brierley explained the city ordinance does not allow wells for domestic purposes within city limits; however, in the Wozniak's case they have found no reason why they cannot allow it. Staff suggested they come to council to ask a special ordinance be approved for them. Typically citizens must wait until city water is brought to their property, but in this case the situation is being forced upon them and they do not have the time to wait for an LID to get water to them. Mayor Andrews asked where the current well is located. Ms. Wozniak explained it is at the end of the house. Mr. Brierley said it is close to the end of the frontage road. In order to get city water to their property the frontage road needs to be graded, which would not happen until after the bypass is complete, which would then be too late for the Wozniaks. Councilor Rierson added there are not a lot of homeowners in the area and a quarter mile of water line would make for an expensive LID.

Discussion commenced on how a special ordinance is created. Council members expressed their encouragement for a special ordinance to allow the Wozniaks to place a new well on their property. They discussed the Wozniak's plans for a new home site and it looks feasible to obtain all the necessary permits. It was also discussed their current well will be under the access road, therefore making it unusable. The Wozniaks informed the council they were told being added to city water would cost \$250,000.00, where a well would cost \$30,000.00 and take eight months to develop. If there was an LID in the future to bring them city water they would retain their well for agricultural usage. Council discussed when to have the Wozniak's ordinance come back to council for approval.

MOTION: **Andrews/Rierson** direct staff to prepare a special ordinance to allow for the placement of a well on the Wozniak's property and to bring the ordinance back to Council no later than the July 15, 2013, Council meeting. Motion carried (7 Yes/0 No).

MOTION: **Andrews/Bacon** reconsider approval of the consent calendar. Motion carried (7 Yes/0 No).

Mayor Andrews pulled Resolution No. 2013-3046, pertaining to the city attorney hiring procedures, from the consent calendar to be heard as a separate item.

MOTION: **McKinney/Rierson** adopting **Resolution No. 2013-3049** supporting a grant application to develop a downtown revitalization plan, recognizing Doris Brandt for her years of service on the Traffic Safety Commission, adopting **Resolution No. 2013-3048** authorizing a contract amendment for construction of an access road at the waste water treatment plant, and approving the May 6, 2012, City Council meeting minutes, as amended. Motion carried (7 Yes/0 No).

2. Consider a motion adopting **Resolution No. 2013-3046** adopting the procedures for hiring the city attorney.

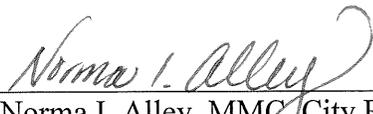
This item was moved here from Consent Calendar.

MOTION: **Bacon/Rierson** adopting **Resolution No. 2013-3046** adopting the procedures for hiring the city attorney. Motion carried (6 Yes/0 No/1 Abstain [Howard]).

X. ADJOURNMENT

TIME – 10:07 PM

ADOPTED by the Newberg City Council this 1st day of July, 2013.



Norma I. Alley, MMC, City Recorder

ATTEST by the Mayor this 3rd day of July, 2013.



Bob Andrews, Mayor