

**City of Newberg  
City Council Minutes  
March 4, 2024  
Hybrid Meeting Format**

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**BUSINESS SESSION –**

Meeting called to order at 6:00 pm

Councilors Present: Mayor Bill Rosacker, Councilors Mike McBride, Peggy Kilburg, Molly Olson, Robyn Wheatley, Derek Carmon, and Elise Yarnell Hollamon

Staff Present: City Manager Will Worthey, City Attorney James Walker, Finance Director Kady Strode, City Recorder Rachel Thomas, Community Engagement Specialist Emily Salisbury, Community Development Director Scot Siegel, Public Works Director Russ Thomas, Police Chief Jeff Kosmicki, Library Director Korie Burkle, IT Manager Ian Rodriguez, Assistant Planner James Dingwall, Senior Accountant Dan Keuler, and City Engineer Lance Calvert. Planning Manager Clay Downing was present via Zoom.

**CITY MANAGER'S REPORT**

[CM narrative report February events.pptx](#)

CM Worthey reported on the events of February 2024.

**PUBLIC COMMENTS**

Pat Haight urged the Council to put up better Christmas lights in Newberg. Ms. Haight stated Police Chief Kosmicki had saved her life when it was endangered by her son who had been on methamphetamine.

**REPORTS AND PRESENTATIONS**

[Chehalem Valley Middle School Sister City Update](#)

[Sister School City Exchange.pptx](#)

Donna Golden, Japanese Exchange Program Coordinator, Chehalem Valley Middle School (CVMS), shared the background of the partnership with Newberg's sister city, Asago City, Japan. The student exchange program had been put on hold during the pandemic, but plans were in place to bring ten students to Asago City in May 2024 and efforts would continue to further strengthen the sister city partnership. The garden of friendship in front of CVMS had fallen into disrepair, but it was recently redesigned and restored to beauty.

Ms. Golden shared pictures highlighting the cultural experiences students had while visiting Japan, and pictures of the visit to Newberg by Japanese students. Ms. Golden hoped to bring the Japanese students to the City Hall and allow them to meet the Mayor and Council during their next visit to Newberg.

Ms. Golden urged the Council to increase awareness of the sister city relationship in Newberg and assist in finding partnerships in the City to sponsor the travel costs of the student exchange program. Members of the Council were invited to participate in the sayonara party on the last night of the Japanese students' visit.

#### Master Fee Schedule Presentation

[DRAFT Master Fee Schedule Packet Res 2024-3920.pdf](#)

Senior Accountant Keuler presented an overview of the Master Fee Schedule. SA Keuler had collaborated with department heads throughout the City to review and update the new fee schedule, which would become effective April 1, 2024. Utility rates had been reviewed by the Citizen's Rate Review Committee (CRRC).

Notable fee updates included:

- Establishment of a Notary Fee of \$10 per action.
- Use of the utility billing rates from January 1, 2024.
- Removal of the Demolition Fee due to new State regulations.
- Removal of the Construction Excise Tax.
- Indexed Building, Planning, and Engineering fees.
- Model updates for SDCs.
- Establishment of a refund schedule for building permits.
- Updated Police fees to remove references to outdated technology such as tapes or CDs.
- A change in some Transportation SDC fee amounts.

The Master Fee Schedule would be updated soon to reflect fees that were annually determined by the International Code Council (ICC).

The Council addressed Agenda Item 7.A Resolution 2024-3922 at this time.

#### Rate Review Presentation

This item was addressed following Agenda Item 7.A Resolution 2024-3922.

Finance Director Strode presented the CRRC recommendations for the proposed utility rate increases to occur in January 2025 and January 2026 to fund continuing maintenance of the Water system, Sewer system, Stormwater system, and Streets. FD Strode discussed the rate review process, the 2022 rate review recommendations and utility rate increases, and key financial factors that had

been considered such as inflation, future capital projects, infrastructure needs, regulatory requirements, other funding sources, and strategic utilization of capital reserves.

FD Strode and CM Worthey discussed system-specific challenges related to the limitations and future plans for upsizing the Water Treatment Plant, declining Road quality, long-term debt repayment associated with the Sewer System, upcoming improvements to be made at the Wastewater Treatment Plant, and the insufficient capital funding for the Stormwater System. The new Master Plan would redefine system needs and priorities, and completion of the Master Plan may create eligibility for federal grants.

FD Strode presented the rate increases recommended by the CRRC, discussing the percentage of rate increase for each system and the expected amount of the monthly bill increases for residents. The overall impact would be a utility rate increase of about 4.4 percent with average utility costs increasing by \$7 – \$7.50 per month for residents, which was similar to the rate increases made in 2022.

Newberg could not use regional utility providers due to the surrounding hills, so utilities came to the community through a single service provider at a somewhat higher cost. A graph was shown comparing Newberg's billing rates with rates from nearby communities.

CM Worthey stated new revenue sources were being developed to facilitate paying off debts early, and federal or state grants would be pursued where possible to fund capital projects. If grants were not attained, a general obligation bond would be pursued to pay for large projects, which would spread the financial load differently by bringing down utility rates.

Water rates had been increased by five percent to build reserves in an effort to prevent incurring debt for the future Water Treatment Plant project.

Public Comment: David Downs thanked the City for the ceremony that had been held to honor the family of a veteran. Mr. Downs stated he had been concerned about the utility rates being increased, and though he could handle the increase of four percent he was concerned about the homeless population that did not have somewhere to live because they could not afford the water and electricity. Mr. Downs encouraged the Council to be as frugal as possible. Mr. Downs stated he had a rental in Newberg that was charged a water bill while the house was vacant, and the water was never used.

The Council and Staff discussed the following points:

- Evaluating the financial impacts on residents of using rate increases versus using a bond which would exclude large nonprofit institutions that did not pay property taxes.

- New construction revenue went to the General Fund while capital improvement projects were funded through utility rates or grants.
- Eliminating debt to create surplus revenue in the General Fund for projects.
- The number of Staff had not increased despite increases in population of around 200 homes per year, and the budget was very lean.
- The impact to households of paying off debt early while inflation was high.
  - Increasing costs to households short-term would free up revenue and allow rates to be increased at a substantially slower rate in the future.
  - Paying off debt early would put Newberg in a better financial place to pay for infrastructure needs if federal grant or bond attempts did not succeed, and the City would save money by paying less interest.
- Sewer bills were higher than Water bills due to the Wastewater Plant debt, but they would go down when the Wastewater debt was paid.
- If the three-year budget went according to plan, the Communications debt would be paid off in 2026, and the line item would be removed immediately from municipal bills, giving some relief to residents.
  - The CRRC had not considered during the review process that the Communications debt would be removed from municipal bills in 2026.
- A similar overall rate of increase would likely still be necessary in 2026 to cover all the different funds.
- Charging citizens only for the services they are using.
- Stormwater could be billed by the amount of impervious surface on a property rather than by an average.
- A bond measure would resolve the debt quickly rather than having residents pay higher rates for years.
- Possibly using a blended approach of grants and bonds to fund projects.
- Possibly tiering rates to allow those with smaller properties to pay less to keep things from becoming regressive.
- Creating a Financial Plan in accordance with Council Goals.
- Possibly assembling an ad hoc committee to work on creating blended solutions and consider the impacts of rates versus bonds, and potentially involving CRRC members in the committee.
- The impacts of property taxes being limited by Oregon Measures 5 and 50 rather than letting property tax amounts be determined by cities or counties.

CM Worthey committed to create an ad hoc committee to consider the impacts of rate increases or bonds and develop solutions. CM Worthey looked forward to paying off Newberg's major debts, seeking federal grant funding, and only putting a bond measure in place if it was sincerely needed.

#### Transparency and Communication Update

[Admin Communication and Transparency Presentation for Council.pptx](#)

City Recorder Thomas and Community Engagement Specialist Salsbury gave a PowerPoint presentation on the increased transparency and communications

policies in Newberg in accordance with Council Goals. The presentation on transparency covered the following topics:

- Legal requirements for transparency and access to information
  - Making communications simple for anyone to understand in accordance with the Plain Writing Act of 2010.
- Making it easy to engage with the City, especially for volunteers.
- The new City website would go live this year and would increase access to information by complying with Americans with Disabilities Act (ADA) standards and upgrading the search engine. Cost savings had been prioritized in choosing a company to create the new website.
- New transparency projects included a new Community Events Calendar and the “New to Newberg” website page with links to useful resources for both new and old residents.
- Changes were made to the City Hall phone line to clearly direct callers and provide alternative means to access information.
- Public Meeting improvements included the simplified signup process and rules for public comments, new procedures and clearer expectations for committee members and Staff liaisons, and the new agenda management software, Escribe, which had more features and provided easier access for Staff members.
- A new City Instagram social media account increased internet presence and the ability to gather data analytics as a tool for engagement.
- Use of the Community Feedback app facilitated the creation of surveys and other ways to gather data from the community.
- The new City Council Newsletter would keep the community informed on Council happenings.
- Creating open access to public records that were not confidential using the Oregon Records Management System. Departments would hold trainings soon on scanning in new documents to create transparency and facilitate being able to direct the public to access the information themselves.
  - The flood event created awareness of the need to store files digitally.
  - The new simplified public records request process promoted self-service.
- Looking for more ways to inform City residents about current events.

There was discussion on an e-newspaper called Newsberg that provided summaries of Council meetings for the public, and the “Mayor’s Musings” column which expressed the Mayor’s opinions and insights.

A member of the public suggested putting a sign board on the Butler property or another visible area to announce City happenings.

The Council addressed Agenda Item 8. Short-Term Rental Ad Hoc Committee Report and Code Amendment Initiation at this time.

## **CONTINUED BUSINESS**

Resolution 2024-3922 – A Resolution Extending a Local State of Emergency and Ratifying Actions in Response to the State of Emergency  
[RCA Resolution 2024-3922 Emergency Declaration.docx](#)

This item was addressed directly following Agenda Item 6.B Master Fee Schedule Presentation.

CM Worthey stated the City Hall was still not in use after extreme cold caused a flooding event in January. Due to many insurance claims being made statewide related to the extreme cold, Citycounty Insurance Services (CIS) went to an international reinsurer to cover the costs of the claims, resulting in a delay in adjudicating the claims. The fiscal impact of the damage in the City Hall was not yet known.

Staff recommended that the Council make a resolution extending the local State of Emergency previously declared on January 16 by Resolution 2024-3915 for a period of three more months.

City Attorney Walker noted the extended State of Emergency provided additional flexibility to the City Manager in public contracting and engaging professionals and contractors to advance restorative work at the City Hall, and continued engagement with CIS.

CM Worthey clarified that CIS was a specialist insurance company that had been set up through State action. CIS had reinsurers who covered the expenses when the cost was beyond their capacity.

City Attorney Walker stated that Oregon allowed governing bodies to determine the duration of a State of Emergency. The City Attorney and City Manager's offices would determine the length of time needed to address the circumstances that had resulted in the damage, and the time period specified would be used in any claims that arose as a result of the extension.

Action: To approve Resolution 2024-3922 extending the State of Emergency previously declared on January 16, 2024.

Motion: Councilor Kilburg

Second: Councilor Carmon

Vote: 7 Yes 0 No 0 Abstain 0 Absent

The Council addressed Agenda Item 6.C Rate Review Presentation at this time.

**NEW BUSINESS**

RCA – Short-Term Rental Ad Hoc Committee Report and Code Amendment Initiation

[RCA - Short-Term Rental Ad Hoc Committee Recommendations.pdf](#)  
[Attachment 1. Vacation Rental Home and STR White Paper.pdf](#)  
[Attachment 2. Planning Commission Recommendation.pdf](#)  
[Attachment 3. 2023-10-26 Newberg Dundee Police Department Memo.pdf](#)  
[City Council Presentation STR Ad Hoc Recommendations.Mar2024.pptx](#)

This item was addressed directly following Agenda Item 6.D Transparency and Communication Update.

Staff recommended that the Council receive the update, provide a scope of expectations for Staff, approve a motion directing Staff to initiate work developing an amendment to the City's vacation rental home regulations and related activities including public engagement, and consider approving a motion to dissolve the STRAHC if no further actions were deemed necessary.

Planning Manager Downing and Assistant Planner Dingwall presented on the recommendations of the Short-Term Rental Ad Hoc Committee (STRAHC) via PowerPoint including an overview of the background and recent activities and the Planning Commission's recommendations to create and enforce regulations regarding vacation rentals.

The STRAHC recommended the following actions be taken by the Council:

- Request bi-annual updates from Staff on the short-term rental program implementation and impacts observed.
- Consider implementing a cap limiting the number of vacation rentals to two percent of the total number of households.
- Consider amending the Newberg Municipal Code to:
  - Indicate vacation rentals as a Special Use in the R-1 and R-2 zoning districts.
  - Stipulate that vacation rental land use approvals were not transferrable to subsequent owners or contract purchasers.
  - Require that vacation rental owners provide annual "Good Neighbor" notices to adjacent properties to include the posted contact information.
  - Require short-term rental platforms to collect Transient Lodging Tax (TLT).
  - Include penalties for noncompliance with TLT remittance, land use permitting, or business license acquisition.
- Consider implementing a software solution to track compliance of vacation rental homes in the City.
- Consider directing Staff to use the See-Click-Fix app to track complaints from neighbors rather than routing complaints to the Police.
- Consider requiring existing vacation rental homes to apply for a land use permit within ninety days of the City's adoption of new regulations and obtain a land use permit, business license, and TLT registration within one year of the adoption of new regulations.

- Consider allowing continued nonconforming uses if operation began prior to December 7, 2023 if operators came into compliance within the amortization policy window.

Staff recommended that the Council direct Staff to engage with the public regarding possible changes to vacation rental home regulations and consider dissolving the STRAHC.

Mayor Rosacker thanked Staff and the members of the STRAHC.

PM Downing stated the STRAHC could be involved in an open house or other community engagement functions as an advisory body, but a committee meeting was not conducive setting for an open forum. The date for the open house would be determined after the Council had time to gather information and draft a response to invite community feedback.

AP Dingwall stated the STRAHC was willing to continue functioning as a body, especially as some members had expertise in specific solutions such as software.

The Council could potentially sunset the STRAHC unless another active agenda item came up for the committee, in which case the STRAHC could be reinstated.

Action: To sunset the Short-Term Rental Ad Hoc Committee.

Motion: Councilor Olson

Second: Councilor Kilburg

Vote: 7 Yes 0 No 0 Abstain 0 Absent

The Council discussed:

- The possibility of adding a density cap for vacation rentals.
- Downtown being the only area of high vacation rental density.
- The plan to review the regulations after one year.
- If all vacation rentals were brought into compliance the number of rentals may be close to the number allowed by the two percent cap.

PM Downing confirmed that there was a list of 74 known vacation rentals that had either paid TLT, obtained a permit, or had a business license. It was unknown how many noncompliant vacation rentals were in Newberg. The recommendations encouraged finding a technical solution to search websites for noncompliant vacation rental operators to save Staff time.

The Council discussed:

- Code Compliance, Community Development, or possibly the Police would be responsible for vacation rental regulation enforcement.



- Further discussion was needed to clarify when to engage the Police.
- The incentive for the City to track down noncompliant vacation rental operators due to the high amount of the penalty for noncompliance.
- Continuing to refine the Code Amendment language.
- Areas zoned as C-3 already allowed special uses, but vacation rentals must be in a single-family home.

Action: To direct Staff to initiate work developing an amendment to the City’s vacation rental home regulations and related program activities, including public engagement

Motion: Councilor Olson  
 Second: Councilor McBride  
 Vote: 7 Yes 0 No 0 Abstain 0 Absent

**COUNCIL BUSINESS**


A Truffle Market would be hosted by Taste Newberg during the upcoming weekend at the Chehalem Cultural Center from 11 am until 4 pm, by request of the City Manager. Wine-tasting, food, and local artisans would also be available.

**ADJOURNMENT**

Meeting adjourned at 8:35 pm.

**ATTEST**

  
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 Bill Rosacker, Mayor

  
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 Rachel Thomas, City Recorder