



CITY COUNCIL AGENDA
APRIL 20, 2015, 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. PRESENTATIONS

1. Proclaim May 4, 2015 as Newberg High School Varsity Cheerleading Day Pages 1-2

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. Approve Minutes from April 6, 2015 Pages 3-8
2. Resolution 2015-3185, Municipal Judge Evaluation Pages 9-11

VIII. PUBLIC HEARING

1. Resolution 2015-3182, Adoption of Supplemental Budget for FY 2014-2015 Pages 12-15

IV. COUNCIL BUSINESS

1. Schedule Bypass Tour

X. EXECUTIVE SESSION

1. Pursuant to ORS 192.660 (2) (h) Rights and Duties regarding litigation likely to be filed – Update on UGB Mediation

XI. 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 two business days 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. Speakers who wish the Council to consider written material are encouraged to submit written information in writing by 12:00 p.m. (noon) the day of the meeting.

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: April 20, 2015

Order ___ No.	Ordinance ___ No.	Resolution ___ No.	Motion <u>XX</u>	Information ___
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SUBJECT: Approve a proclamation declaring May 4, 2015, 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 May 4, 2015, as Newberg High School Varsity Cheerleading Day.

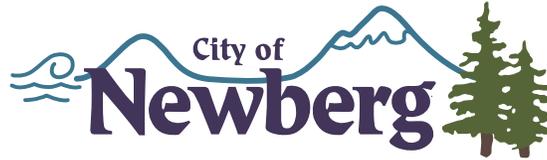
EXECUTIVE SUMMARY:

After much hard work, dedication, and persistence the Newberg high school (NHS) varsity cheerleading team finished their 2014-15 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.

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 MAY 4, 2015, 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 14, 2015, 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 22, 2015, 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 **May 4, 2015**, 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 4th day of May 2015.

Bob Andrews, Mayor

REQUEST FOR COUNCIL ACTION

DATE ACTION REQUESTED: April 20, 2015

Order ___ No.	Ordinance ___ No.	Resolution ___ No.	Motion <u>XX</u>	Information ___
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SUBJECT: Minutes

**Contact Person (Preparer) for this
Motion: Sue Ryan, City Recorder
Dept.: Administration
File No.:**

RECOMMENDATION:

Approve City Council minutes from April 6, 2015.

**NEWBERG CITY COUNCIL MINUTES
APRIL 6, 2015, 7:00 PM
PUBLIC SAFETY BUILDING (401 E. THIRD STREET)**

A work session was held at 6:00 p.m. preceding the meeting. Present were Mayor Bob Andrews, Councilors Tony Rourke, Stephen McKinney, Mike Corey, Scott Essin, and Denise Bacon. Councilor Lesley Woodruff was excused. Also present were City Manager Jacque Betz, City Recorder Sue Ryan, City Attorney Truman Stone, Finance Director Matt Zook, and Public Works Director Jay Harris.

CA Stone suggested an edit to the minutes that would be adopted under the Consent Calendar during the business session. On page 4, the last sentence of the third paragraph was changed to “the funds could be spend on other tourism promotion or facilities at the City’s discretion.”

CM Betz, FD Zook, PWD Harris and Katie Schwab, of Wedbush Securities gave the staff presentation on debt refinancing. Ms. Schwab discussed the municipal bond market, bond process, and City’s debt that was eligible for refinancing. PWD Harris explained the debt projects and amounts that were still owed on each project. If these were refinanced, the City would save money on interest, pay off the debt faster, and allow them to bring on new debt when needed in the future.

Ms. Schwab discussed the security for the existing debt and sources of repayment. This was a full faith and credit refunding and those proceeds would go to the City. There was an opportunity to shorten the maturity and she explained how much would be saved through the refunding process. The total amount of debt was 11.6 million dollars and refinancing would consolidate the six loans to one loan. If the City refinanced it would be a savings of around \$850,000 over the next 11 years to 2026.

There was discussion regarding when the debts would be paid off if they did not refinance, the amount in reserve funds, the analysis of paying off the debts early without refinancing, the effect of the refinancing on the Public Works funds, upcoming review by the Citizens Rate Review Committee, using the savings for other capital improvement projects, and philosophy of staff to be fiscally responsible. CM Betz said unless Council disagreed, staff planned to do the internal work needed to start the process and it would come back to Council on May 4.

COUNCIL BUSINESS: Councilor Essin said the function of what he believed to be a state-run halfway house in Newberg was to integrate people who had been in prison into society. He was concerned about the facility’s oversight, safeguards of that facility and safety for both police officers and the community. Councilor Bacon did not think there were that many incidents to warrant changing anything at this time. City Attorney Truman Stone discussed the programs of the halfway house and people it served. He gave an update on the concerns regarding Chehalem Youth and Family Services. Mayor Andrews suggested Councilor Essin work with the City Manager and discuss it with the Police Chief to get a better understanding of the jurisdictional issues.

EXECUTIVE SESSION: Executive session pursuant to ORS 192.660 (2) (i) Performance Evaluations of Public Officers and Employees. The Council entered Executive Session at 7:00 p.m. The Council re-entered open session at 7:35 p.m.

CALL MEETING TO ORDER

The Mayor called the meeting to order at 7:35 p.m.

ROLL CALL

Members Present:	Mayor Bob Andrews	Mike Corey	Tony Rourke
	Scott Essin	Stephen McKinney	Lesley Woodruff
	Denise Bacon		

Staff Present:	Jacque Betz, City Manager	Truman Stone, City Attorney
	Sue Ryan, City Recorder	Matt Zook, Finance Director
	Jay Harris, Public Works Director	Doug Rux, Community Development Director
	Steve Olson, Associate Planner	Mary Newell, Support Services Manager

PLEDGE OF ALLEGIANCE: The Pledge of Allegiance was performed.

PRESENTATIONS: Mayor Andrews read the proclamation declaring April 12-18, 2015, as National Public Safety Telecommunicators Week and presented it to Support Services Manager Mary Newell.

CITY MANAGER'S REPORT: CM Betz said as a follow up to the last meeting regarding the Transient Lodging Tax and Chehalem Valley Chamber of Commerce, a meeting had been scheduled with the Chamber Director to discuss collaboration for the future use and allocation of the funds.

PUBLIC COMMENTS: Sally Dallas, Newberg resident, spoke about the Temporary and Portable Sign Code. She said recently the Code Enforcement Officer picked up all portable signs that were on the street after hours. There were currently no exceptions, yet she was in a difficult position that her sign had to be on the sidewalk or it was not visible and she had one of the only stores without street frontage. She would like there to be exceptions or variations to the Code language.

CONSENT CALENDAR:

MOTION: Bacon/Woodruff moved to accept the Consent Calendar, including the March 16, 2015, meeting minutes as amended. Motion carried (7 Yes/ 0 No).

NEW BUSINESS: Audit Report and Financial Statements for June 30, 2014: Brad Bingenheimer of Boldt, Carlisle and Smith, LLC, spoke about the auditor's report. This was an unmodified report, which meant the financial statements presented fairly in all respects. He discussed the City's assets and liabilities, and stated there was a slight increase from last year. Regarding the General Fund, the City was right in line with the budget projections and revenues and expenditures were within budget.

Mr. Bingenheimer said here were a few funds that were overspent by a small amount and were not in any major funds of the City. There were no other findings of non-compliance. He discussed the significant deficiencies in internal controls. With the change in City personnel, some expertise and institutional knowledge was lost in putting together financial statements and the auditors ended up preparing the financial statements. There was also difficulty getting a handle on court fines received. The City was in compliance with federal financial assistance program requirements.

Councilor McKinney asked for clarification on non-compliance for court fees. Mr. Bingenheimer said it was about segregation of duties as currently one person was in charge of the collection and recording of the court fines. Typically one person should not be responsible for an entire process. It was a matter of allocating resources to fix it.

MOTION: Bacon/McKinney moved to accept the annual auditor's report and financial statements for the fiscal year that ended June 30, 2014. Motion carried (7 Yes/ 0 No).

Resolution 2015-3179: PWD Harris said this resolution was a culmination of a year's work to purchase this property. The property for purchase was 3.9 acres on 3rd Street and the City would sell 3.3 acres on Wynooski Road. Acquisition of the property on 3rd Street would allow the City to plan a much better maintenance facility for the City. He noted typos in the resolution. If approved, a supplemental budget request would be brought back to Council.

MOTION: Rourke/Corey moved to adopt Resolution No. 2015-3179 authorizing the City to purchase property located at 520 West 3rd Street from the current owner Glacier Northwest; sell property at 2716 Wynooski Road to Glacier Northwest and authorizing the city manager to sign documents to complete the purchase and sale. Motion carried (7 Yes/ 0 No).

PUBLIC HEARING: Ordinance 2015-2780: Mayor Andrews opened the hearing at 8:00 p.m. He asked if there were any abstentions, bias, ex-parte contacts, conflicts of interest, or objections to jurisdiction. There were none. CR Ryan distributed late written testimony to the Council.

MOTION: Councilor Essin moved to accept the late written testimony. Motion died for lack of a second.

Staff Report: AP Olson said this was a public hearing on Medical Marijuana Dispensary Development Code amendments. The Planning Commission passed a resolution recommending the Council amend the Development Code to add Medical Marijuana Dispensaries as a type of commercial retail sales use, which would be allowed in the C2 and C3 zones. It would establish a 1,000 foot buffer around schools and parks and dispensary operating hours would be limited to 9 a.m. to 8 p.m. The State legislature was still developing guidelines for recreational marijuana and Council would address Recreational Marijuana Dispensaries at a later time. He gave a background on medical marijuana regulations and temporary moratorium that ended May 1. He then discussed what other cities had done regarding these dispensaries and the public comments that had been received. He explained how the use was similar to a pharmacy. The proposal established a buffer around schools and parks, but not around daycare facilities. A way to decrease crime was to not allow them to be open late at night.

AP Olson explained the distance measurement was from the property line of the park or school to the closest point of the premises of a dispensary. The word premises meant the dispensary building. He showed a map with the buffers around the schools and parks and areas where dispensaries could be located. There was still a significant portion of commercial area to place dispensaries. The Code amendment added two definitions, one for Medical Marijuana Dispensary and one for Career School. It also amended the Zoning Use Table to add Medical Marijuana Dispensary as a permitted use within the C2 and C3 zones and a footnote clarifying it was permitted, but would not be located at the same address as a State registered grow site or within 1,000 feet of a park or school. The footnote also included the regulations under State law and limited operating hours. The findings showed that the public noticing and hearing process had been done as required and that this would provide opportunity for new types of business as this use was legal under State law. Staff recommendation was to adopt the ordinance. It included an emergency clause because the moratorium ended May 1. The title for Ordinance 2015-2780 should be amended to add “and declaring an emergency.”

City Attorney Stone said the Federal government pre-empted State government and marijuana currently was illegal under Federal law. This ordinance would not change that, but would allow siting under the City’s zoning code in certain areas. Staff thought the 1,000 foot buffer around parks was consistent with the State approach of focusing on areas where minor children might be unsupervised. The buffer around schools and parks also showed up in Federal law, which created a safe harbor for children and would be consistent with how State and Federal law viewed these locations.

Councilor Bacon had an issue with the dance academy being labeled as a Career School. She did not think their main purpose was to draw people into a dance career. CA Stone thought it fit with the definition that came from the State statute. There was discussion regarding how the Federal law worked and excluding the C3 downtown zone.

Public Testimony:

Douglas Heuer, Newberg resident, was an advocate for Ordinance 2015-2780. There had been many studies done on cannabis and every government agency that conducted studies concluded its relative safety. He thought marijuana was the most useful plant there was and putting restrictions on it was counter-productive to the economy. However, it was still a felony for a doctor to prescribe marijuana. The classification of a medical marijuana facility dispensing a prescribed drug was a faulty one and he thought it violated federal law.

Mayor Andrews closed the public testimony at 8:28 p.m.

Staff recommendation:

AP Olson said the recommendation from the Planning Commission and staff was to adopt the ordinance as amended by staff to change the distance measurement to match the State measurement and amending the ordinance title to include “and declaring an emergency.”

Mayor Andrews closed the hearing at 8:31 p.m.

Action by the City Council:

MOTION: Bacon/Corey moved to waive the second reading of the ordinance. Motion passed 6 Yes/ 1 No [McKinney].

Councilor Essin asked about the City's culpability by passing the ordinance. CA Stone did not think there was any exposure to the City by adopting this ordinance. Councilor McKinney said the Chief of Police and District Attorney advised the Council not to support these types of ordinances. It was violating their oath to the Constitution. He would oppose the ordinance. Councilor Rourke asked what would happen if they did not adopt the ordinance. CA Stone said it would be an allowed use in the commercial zones and only the State restrictions would apply.

Mayor Andrews supported the ordinance as it was in the City's best interest to have some regulation on how and where the dispensaries were sited.

MOTION: Corey/Woodruff moved to adopt Ordinance 2015-2780, amending the Newberg Development Code to add Medical Marijuana Dispensaries (MMD) and as allowed uses in some Commercial zoning districts, not allow them in other zoning districts, establish buffers around schools and parks where dispensaries would not be allowed, and establish operating hours with the changes proposed by staff.

Deliberation of Council:

There was discussion regarding the State regulations that would be in place if the Council did not pass the ordinance. Councilor Woodruff said this was new to everyone in government and they had to start somewhere and see what happened. Councilor Corey said it was going to happen anyway and these were more restrictions than the State had. Councilor McKinney said it only happened if people acquiesced to a process that asked them to violate their oaths to the Constitution. Mayor Andrews said this was not a matter of permitting medical marijuana in Newberg as that had already been decided, but was how best the City could manage the situation as it was put before them. He did not think it was a violation of the oath, but was a zoning regulation on how best to administer it in this community. Councilor Essin said this was regulating more than the State, and he thought eventually there would be consequences with the Federal government. He thought they should go with the State rules. Councilor Bacon also wanted to stay with the rules of the State only.

Motion passed 4 Yes/3 No [Bacon, Essin, McKinney].

PUBLIC HEARING: Resolution 2015-3184: Mayor Andrews opened the hearing at 8:55 p.m. He asked if there were any abstentions, bias, ex-parte contacts, conflicts of interest, or objections to jurisdiction. There were none.

Staff Report: AP Olson said a similar action came before the City on Springbrook Road, and the requirement was to treat this as a legislative hearing and pass a recommendation by resolution. This was a recommendation to Yamhill County for Hazelfern Cellars, which would be outside the City limits and Urban Growth Boundary but in the Urban Reserve Area. The request was for a Conditional Use Permit for the winery. It would convert an equestrian facility to a winery and vineyard. He discussed the future property layout. The City would like the County to only approve development in the Urban Reserve Area that was limited in scope and was consistent with future urban development. The finding staff made was they were not proposing any new buildings, but converting an existing barn to a winery, and was limited in scope. Most of the site was being planted as a vineyard, which kept the land intact and not divided. This would allow for future urban development. Staff recommended adoption of the resolution, recommending that Yamhill County approve the Conditional Use Permit. The urban reserve areas were planned to be developed in 20-40 years, and there were utility service limitations for that area. He said how quickly it would be developed depended on development extending services to the edge. Also all annexations were voluntary.

Public Testimony: None.

Mayor Andrews closed the public testimony at 9:02 p.m.

Staff recommendation:

AP Olson said staff recommended adoption of the resolution.

Mayor Andrews closed the hearing at 9:03 p.m.

Action by the City Council:

MOTION: Rourke/Woodruff moved to adopt Resolution 2015-3184, recommending that Yamhill County approve the proposed winery Conditional Use Permit at 4008 NE Zimri Drive. Motion carried (7 Yes/0 No).

COUNCIL BUSINESS: None.

ADJOURNMENT: The meeting was adjourned at 9:35 p.m.

ADOPTED by the Newberg City Council this __th day of April, 2015.

Sue Ryan, City Recorder

ATTESTED by the Mayor this ___th day of April, 2015.

Bob Andrews, Mayor

REQUEST FOR COUNCIL ACTION

DATE ACTION REQUESTED: April 20, 2015

Order ___ No.	Ordinance ___ No.	Resolution <u>XX</u> No. 2015-3185	Motion ___	Information ___
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SUBJECT: Resolution approving the annual evaluation of the municipal judge.

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

RECOMMENDATION:

Adopt **Resolution No. 2015-3185** approving the annual evaluation of the municipal judge.

EXECUTIVE SUMMARY:

The city council performed an annual evaluation of the municipal judge. That evaluation was held during executive session on April 6, 2015 in which no decisions were made. This resolution is to solidify that evaluation and to provide a formal guidance of his performance.

FISCAL IMPACT:

There is no increase in compensation at this time.

STRATEGIC ASSESSMENT:

The evaluation of the municipal judge is necessary in order to increase communication between the city council and the municipal judge concerning the performance of the municipal judge in accomplishing his assigned duties and responsibilities.



RESOLUTION No. 2015-3185

**A RESOLUTION APPROVING THE ANNUAL EVALUATION OF THE
MUNICIPAL JUDGE COMPLETED IN APRIL 2015**

RECITALS:

1. In accordance with the Newberg City Charter, the municipal judge is appointed by the city council, which reports directly to the mayor and city council and is supervised by the governing body. The city council appointed Larry Blake, Jr. as the municipal judge for the city in February, 2010.
2. The city has a contract with the municipal judge and pursuant to that contract, the city council will evaluate the municipal judge in executive session.
3. The Open Meetings Law of the state of Oregon allows the evaluation of the job performance of the municipal judge to be conducted in executive session by the city council and pursuant to such Standards, Criteria, and Policy Directives adopted by Resolution No. 2010-2923 on December 6, 2010.
4. The mayor, city councilors, and the municipal judge met in executive session on April 6, 2015, to discuss the municipal judge's annual evaluation.
5. The mayor has submitted the written evaluation which will be placed in the municipal judge's personnel file after being adopted by the city council.

THE CITY OF NEWBERG RESOLVES AS FOLLOWS:

1. The written evaluation of the municipal judge, which is attached as Exhibit A and by this reference is hereby adopted.
2. The municipal judge shall be given a copy of the evaluation to sign and may make any written comments after which the written evaluation shall be placed in the municipal judge's personnel file.

➤ **EFFECTIVE DATE** of this resolution is the day after the adoption date, which is: April 21, 2015.

ADOPTED by the city council of the city of Newberg, Oregon, this 20 day of April, 2015.

Sue Ryan, City Recorder

ATTEST by the mayor this _____ day of _____, 2015.

Bob Andrews, Mayor

EXHIBIT A

**Municipal Judge (Larry Blake, Jr.)
Annual Written Evaluation – 2015
By Newberg City Council**

The city council has received a written report from the municipal judge concerning his performance during his evaluation period. The respective mayor and councilors have met with the municipal judge in executive session on April 6, 2015, to discuss their evaluation of his performance from January 2014 to December 2014.

The city council has evaluated the performance of Larry Blake, Jr. as the municipal judge of the city of Newberg. As part of the evaluation, council reviewed the report given to them by the municipal judge indicating his self-evaluation during the evaluation period. The city council assessed the municipal judge's performance in four major categories:

1. Case Management, Impartiality and Judicial Conduct
2. Knowledge of Law, Legal Practices and Court Management
3. Inter-departmental Relations
4. Fiscal Planning & Goals

Overall the city council found the municipal judge's performance fell between excellent and exceeds expectations. The city council felt the working relationship with the municipal judge was excellent and improving as time went on. The council expressed satisfaction with the goal setting and looks forward to further long-range strategic planning in partnership with the municipal judge.

DATED this ____ day of _____, 2015.

Mayor Bob Andrews

Council President Denise Bacon

Councilor Mike Corey

Councilor Scott Essin

Councilor Stephen McKinney

Councilor Tony Rourke

Councilor Lesley Woodruff

Comments by Larry Blake, Jr.:

Acknowledged this ____ day of _____, 2015.

Larry Blake, Jr. municipal judge

REQUEST FOR COUNCIL ACTION

DATE ACTION REQUESTED: April 20, 2015

Order ___	Ordinance ___	Resolution <u>XX</u>	Motion ___	Information ___
No.	No.	No. 2015-3182		

SUBJECT: Request for approval of Supplemental Budget #1 for fiscal year 2014-2015 as described in Exhibit “A”.

Contact Person (Preparer) :

Matt Zook

HEARING TYPE: ADMINISTRATIVE

RECOMMENDATION:

Adopt **Resolution No. 2015-3182** for approval of Supplemental Budget #1 for fiscal year 2014-2015.

EXECUTIVE SUMMARY:

As a result of Council’s approval of the CalPortland property transaction via Resolution 2015-3179 on April 6, 2015, Supplemental Budget #1 is required. Public Works Director Jay Harris provided a high-level financial outline of this transaction. The actual accounting for this transaction is fairly complex due to the 11 different funds involved. This summary will provide explain the financial aspects of the transaction to provide a comfortable level of understanding to approve this Supplemental Budget resolution.

The CalPortland transaction involves a sale of City property and the purchase of new property. For budget purposes, it is important to separate what appears to be one transaction into two separate transactions. The sale of City property is immaterial in setting budget appropriations. However, the purchase of the new property must fit beneath the appropriation levels set by Council. The total consideration of the new property, including the value of the property, real estate costs, site and geotechnical studies, and any other costs was estimated to cost around \$950,000. The supplemental budget sets the new appropriation level at \$1,000,000 to allow a comfortable budget margin.

The purchase costs will be recognized in two funds – Streets Capital Projects Fund (25%) and proprietary Capital Projects Fund (75% representing water, wastewater, and stormwater programs at 25% per program). These two funds are used to isolate the costs of capital projects from operations to allow greater transparency to the public on actual project costs. The source of funds for these projects, however, come from transfers from operational/reserve funds and SDC funds. As Director Harris explained in his April 6th executive session memorandum, within each program (street, water, wastewater, and stormwater), 80% of the cost will come from rate funds and 20% will come from SDC funds. The chart on the following page illustrates this fund allocations.

With this fund allocation in mind, this transaction must then be compared to the existing FY 2014-2015 appropriations in each fund. Any individual fund that needs an increase in appropriation levels are then included in the Supplemental Budget. It is important to note that not every fund involved in this transaction requires an increase in appropriation levels. This is due to the level of margin and flexibility that was incorporated into each of the various funds within the FY2014-2015 adopted budget.

<i>Where the money is coming from</i>										<i>Where the money is being spent</i>	
Water 25%		Wastewater 25%		Stormwater 25%			Street 25%		Utility Cap Proj Fund	Street Cap Proj Fund	
Fund #	Rates	SDC	Rates	SDC	Rates	Rates	SDC	Rates	SDC	04	18
1,000	27	47	26	46	28	17	43	02	42	750	250
	80%	20%	80%	20%	65%	15%	20%	80%	20%		
	(200)	(50)	(200)	(50)	(162.5)	(37.5)	(50)	(200)	(50)		

The actual transaction will reflect lower costs than this supplemental budget, which was based on anticipated costs. The sale of the property will be recognized in the Water Funds, which funded the purchase of the property.

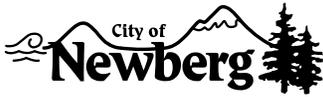
In addition to the CalPortland purchase, three other appropriation increases are being requested as follows:

- 1) Transfers from the Street Fund to the Street Capital Projects Fund for a final payment of the Sheridan Street / Cultural District project of \$45,000 and additional Pavement Rehabilitation project costs anticipated of \$10,000. In combination with the increase of \$200,000 for the CalPortland purchase, the new appropriations level for the Street Capital Projects Fund (18) is \$255,000.
- 2) Recognition of anticipated capital project costs of \$489,007 that is offset by reimbursements from Oregon Department of Transportation (ODOT) for the Wyooski-Riverfront Utilities project. In combination with the increase of \$750,000 for the CalPortland purchase, the new appropriation level for the utility Capital Projects Fund (04) is \$1,239,007.
- 3) Appropriation for debt service payments in the Wastewater Fund (06) of \$78,924 to DEQ from the Clean Water State Revolving Loan Fund that were not included in the original budget due to timing. This loan is for the Wastewater Treatment Plant Repair, Renovation, and Expansion project. At the time of preparing the FY 14-15 Budget the final repayment schedule for this loan was not complete because the City had not drawn all funds for the loan. The final repayment schedule was received in August 2014. The corresponding decrease in Contingency of \$78,924 results in no increase in appropriations.

The public hearing for the Supplemental Budget was noticed in the paper of record, the Newberg Graphic, on April 15, 2015.

FISCAL IMPACT:

The annual budget appropriation increase requested is \$1,494,007. The results in a new total appropriations of \$88,454,258 and a total budget of \$100,612,515. The difference between these numbers represents Unappropriated Fund Balances and Reserves, which are not appropriations.



RESOLUTION NO. 2015-3182

**A RESOLUTION TO ADOPT SUPPLEMENTAL BUDGET #1 FOR FISCAL
YEAR 2014-2015 BEGINNING JULY 1, 2014, AND ENDING JUNE 30,
2015**

RECITALS:

1. The 2014-2015 Budget was adopted by Resolution No. 2014-3145 on June 16, 2014, by the City Council.
2. 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: April 21, 2015.

ADOPTED by the City Council of the City of Newberg, Oregon, this 20th day of April, 2015.

Sue Ryan, City Recorder

ATTEST by the Mayor this 21st day of April, 2015.

Bob Andrews, Mayor

**EXHIBIT "A" TO
 RESOLUTION NO. 2015-3182**

City of Newberg
 Supplemental BUDGET #1
 Fiscal Year 2014-2015

<u>FUND 02 - STREET FUND</u>		BUDGET	CHANGE	REVISED
Transfers Out	<i>Increase</i>	198,053	255,000	453,053
Contingency	<i>Decrease</i>	764,172	(255,000)	509,172

Revised Total Resources	1,988,891
Revised Total Requirements	1,988,891

To recognize and appropriate the additional funds needed to purchase the approved Public Works property and other street projects

<u>FUND 04 - UTILITY CAPITAL IMPROVEMENT FUND</u>		BUDGET	CHANGE	REVISED
Transfers In	<i>Increase</i>	-	37,500	37,500
Reimbursed Costs	<i>Increase</i>	-	1,201,507	1,201,507
Capital Projects	<i>Increase</i>	4,705,000	1,239,007	5,944,007

Revised Total Resources	5,944,007
Revised Total Requirements	5,944,007

To recognize and appropriate the additional funds needed to purchase the approved Public Works property as well as various project costs that are covered by reimbursements from ODOT

<u>FUND 06 - WASTEWATER FUND</u>		BUDGET	CHANGE	REVISED
Debt Service	<i>Increase</i>	1,405,088	78,924	1,484,012
Contingency	<i>Decrease</i>	4,298,214	(78,924)	4,219,290

Revised Total Resources	11,219,169
Revised Total Requirements	11,219,169

To recognize and appropriate the additional funds needed for debt service for the DEQ loan on the WWTP RRE

<u>FUND 17 - STORMWATER FUND</u>		BUDGET	CHANGE	REVISED
Transfers Out	<i>Increase</i>	50,000	37,500	87,500
Contingency	<i>Decrease</i>	297,757	(37,500)	260,257

Revised Total Resources	1,333,870
Revised Total Requirements	1,333,870

To recognize and appropriate the additional funds needed to purchase the approved Public Works property

<u>FUND 18 - STREET CAPITAL PROJECT FUND</u>		BUDGET	CHANGE	REVISED
Transfers In	<i>Increase</i>	175,000	255,000	430,000
Capital Projects	<i>Increase</i>	1,180,000	255,000	1,435,000

Revised Total Resources	1,593,493
Revised Total Requirements	1,593,493

To recognize and appropriate the additional funds needed to purchase the approved Public Works property