

**NEWBERG CITY COUNCIL MINUTES**  
**REGULAR SESSION**  
**May 2, 2016, 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 Lesley Woodruff, Denise Bacon, Mike Corey, Patrick Johnson and Stephen McKinney. Also present were City Manager Pro Tem Stephen Rhodes, City Attorney Truman Stone, City Recorder Sue Ryan, Finance Director Matt Zook, Public Works Director Jay Harris, Community Development Director Doug Rux, Library Director Leah Griffith, Police Chief Brian Casey, Fire Chief Les Hallman, and Information Technology Director Dave Brooks.

Councilor Bacon discussed amendments to the April 4 minutes on Page 6. She clarified her neighbor's house was on fire and she saw on Facebook that animal control was coming from Yamhill County to take their dog. She went outside and a police officer had the dog and allowed her to take the dog to her garage. She did not get the dog from the animal shelter.

Department Head Presentations:

PC Casey reported on the Jacob Hill case at the Newberg High School, the response to the CYFS facilities, issues with dispatch going to Washington County, the upgrade with radios that may be costly, the hire of two new police officers at the police academy in Salem, and asked for any questions. Mayor Andrews asked about the fees for burglar alarms. PC Casey said there was a fee after the third false alarm starting at \$50.

FD Zook said staff had been working on the budget since January and were in the midst of Budget Committee meetings. The budget was prepared to provide quality services and meeting the goals of the Council. The budget layout had been improved and there was a budget tour of City facilities. He was also working on the five-year financial plan and establishing financial policies. He reported on the Citizens Rate Review Committee and the culmination of their work for Council approval. He shared the article about the Municipal Services Statement in the City Newsletter and discussed the Court Amnesty Program which had collected \$65,000 so far.

PWSD Harris said Well #9 had been completed and would start use in about six weeks. Water use was up from last year. The Water System Master Plan Update Ad Hoc committee met to discuss the progress of the plan update. An update would come to Council in July. The seismic and hydraulic upgrades of North Valley #2 were completed and both reservoirs would soon be painted. North Valley #1 would be taken down in the fall for hydraulic improvements and other upgrades. Otis Springs was brought online a few weeks ago. The recycled water system would soon be online. The roof replacement over the Otis Springs reservoir would be done in the summer. The non-potable water system would be a work session item in July. Other items he discussed were back flow testing currently being done, the Hawthorn Loop water line where 500 feet of pipe was being replaced, water line flushing, planting of 3,000 fir trees by the Corral Creek reservoir, the disinfection system at the Wastewater Treatment Plant was being replaced, the chlorine gas tanks were being removed, I & I projects update, videoing and cleaning pipes on a five-year schedule, Villa Road culverts would be going in soon, street paving projects and crack sealing, keeping dust down on gravel roads, pot hole repair, pavement system maintenance and funding plan, and facilities and grounds improvements. Councilor Essin asked about the Newberg Dundee Bypass. PWSD Harris said work had already been started on Springbrook Road and staff was working with ODOT on utility conflicts. Once the water line had been installed in Springbrook, the work would ramp up.

IT Director Brooks said the five-year plan had been completed to accomplish Council goals, which resulted in 60 projects. Security upgrades were being done for the internal network, there would be replacement of the physical access control system and video surveillance system, server upgrades, and transfer of data to TVF&R.

Library Director Griffith said projects at the library included the Library Strategic Plan, digitizing the *Newberg Graphic* from 1888 to 1922, Summer Reading Program, roof repairs which were almost done, registering the Carnegie Library as a National Historic site, and installing radio frequency ID in all library materials. There was an opening on the Library Board.

FC Hallman reported on the pancake feed event. He said there were 5,263 service calls last year, which was an 8% increase from 2014 and this year the department was 15% above where they were this same time last year. The TVF&R transition was going well. There was a lot of training in town and at TVF&R's training center.

Community Development Director Rux said staff was cleaning up all of the building records. The department was averaging 25-30 building inspections per day. There were weekly reports on the activity of single family building permits. The Historic Commission was doing survey work downtown and working on a walking tour app. The Affordable Housing Commission had a presentation on workforce housing, were applying for a Community Development Block Grant for rehabilitation on manufactured housing, and were creating a microloan program for manufactured homes. The Economic Development Strategy had been completed. He discussed business retention visits and recruitment activities, Innovation Accelerator, Enterprise Zone application, the annexations, subdivisions, partitions, and design reviews brought to the Planning Commission, UGB work, marijuana discussions, land division regulation changes, TSP work, Street Seats construction, Tourism Strategy, SDC waivers, Regional Solutions Grant for Crestview Drive, Urban Forestry Management Plan, Water System Master Plan and Villa Road, street maintenance program, Bypass IGA, Sportsmans Airpark purchase of development rights, stream corridor applications, and a grant to redo the Riverfront Master Plan. Councilor Johnson asked about Crestview Drive. CDD Rux explained the Providence Drive/99W intersection would become a four way intersection. Crestview Drive would be built and connect to the north to Springbrook. This project would be designed in 2017/2018 and constructed in 2018/2019.

The work session was adjourned at 6:41 p.m.

### **CALL MEETING TO ORDER**

The Mayor called the meeting to order at 7:00 p.m.

### **ROLL CALL**

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

Staff Present:	Stephen Rhodes, City Manager Pro Tem	Sue Ryan, City Recorder
	Truman Stone, City Attorney	Leah Griffith, Library Director
	Doug Rux, Community Development Director	Matt Zook, Finance Director
	Dan Wilson, Water Plant Superintendent	Jay Harris, Public Works Director
	Jason Wuertz, Senior Engineer	

**PLEDGE OF ALLEGIANCE:** The Pledge of Allegiance was performed.

### **PRESENTATIONS:**

Mayor Andrews introduced the "If I Were Mayor" poster contest finalists. He thanked the panel who selected the finalists. The third place winner was Cameron Kelly from Mabel Rush Elementary. She had been in Tae Kwon Do for many years and thought the qualities she had learned should be part of being the Mayor. She read her poster that included ways to aid the community. The second place winner was Athena Born from Chehalem Online Learning Academy. Her poster discussed ways to give a hand up rather than a hand out to those in need in the community. She would reach out as Mayor to churches and organizations to help. She read her poster. The first place winner was Alyssa Renendez from Mabel Rush Elementary. She would make sure the water was clean and to build houses everyone could afford. She would make sure there was a community garden and would support benefits for new stores in the community to help bring new employees. Mayor Andrews presented each winner with gift certificates and said the first place winner would go on to the state level competition.

Katie Anderson, Oregon State Library Youth Services Consultant, presented the Newberg Library with the 2015 Outstanding Ready to Read Grant Project Award. The grant was the only money that public libraries received from the State General Fund. Grant funds could only be spent on early literacy services and Summer Reading activities. She listed the projects the Library did to reduce the student achievement gap in the community. She presented the award to City staff.

### **PROCLAMATIONS:**

Mayor Andrews proclaimed May 2, 2016, as Newberg High School Varsity Cheerleaders Day because of the recent state championships they had won. The cheerleaders gave a cheer.

Mayor Andrews proclaimed May 2016 as National Historic Preservation month. CDD Rux accepted the resolution.

**CITY MANAGER PRO TEM'S REPORT:** CMPT Rhodes reminded everyone that May 3 was the second Budget Committee meeting for the year.

**PUBLIC COMMENTS:** Dave Adams, KLYC Radio, spoke about bringing the Veteran's Wall of Honor for those who died in Iraq and Afghanistan to Newberg. He said the Wall started in Albany as a school project. This Wall had pictures with the names and a short bio. They were looking for venues that would not charge admission. It would come to McMinnville first, and then Newberg sometime in the summer.

**CONSENT CALENDAR:**

**MOTION: Bacon/Corey** moved to approve minutes from April 4 as amended and April 6, 2016; approved Resolution 2016-3290, A Resolution authorizing the City Manager Pro Tem to appoint recommended candidate to a position in Public Works Operations, Resolution 2016-3285, A Resolution approving the purchase of Genetec software from CVE Technologies, Resolution 2016-3277, A Resolution authorizing the City Manager Pro Tem to enter into a contract with Emery and Sons Construction, for the Villa Road culvert replacement project, Resolution 2016-3261, A Resolution authorizing the City Manager Pro tem to negotiate and execute the contracts for the acquisition of certain real property for the Villa Road Improvement project, and Resolution 2016-3289, A Resolution authorizing the City Manager Pro Tem approving the purchase of a replacement oxidation ditch rotor from Evoqua Water Technologies for \$76,145.50. Motion carried (7 Yes/ 0 No).

**PUBLIC HEARING – LEGISLATIVE:** Ordinance 2016-2802

Mayor Andrews opened the hearing and called for any abstentions or conflicts of interest on the part of the Council. There were none.

CDD Rux gave the staff report. He said this ordinance would repeal Newberg Municipal Code 9.10.025, ban of early marijuana sales. This ban was put in place due to the unknowns of recreational marijuana legislation. Since that time OLCC had created administrative rules for recreational sales. He explained SB 460 which allowed recreational sales in medical marijuana dispensaries. This would sunset in December 2016. In April, a citizen requested Council repeal the ban and Council directed staff to bring back an ordinance to do so. It was unknown what the financial impact would be. The City imposed a 10% tax on recreational marijuana and the State had a 25% tax on recreational marijuana. Staff recommended adoption of the ordinance.

There was no public testimony.

Mayor Andrews closed the hearing.

**MOTION: Bacon/Essin** moved to waive the second reading to be read by title only. Motion carried (7 Yes/0 No).

Deliberations:

Councilor McKinney said there was more clarity in the State rules imposed on marijuana and the City had worked on ways to regulate it to the best of their ability. He would be reluctantly voting in favor.

Councilor Corey said the marijuana subcommittee discussed this issue and OLCC had regulations in place. He thought this would make recreational marijuana safe and off the black market. There would be tax revenue as well. He was in support of the ordinance.

Councilor Bacon supported the ordinance because the citizens who wanted marijuana were going somewhere else to buy it. She wanted those dollars spent in Newberg's local businesses.

Councilor Essin discussed living in Texas where there were counties that were dry and wet for alcohol. There was more loss of life because of that policy as people were traveling intoxicated to other counties to get the alcohol. He did not want to see the same thing happen in Newberg. He thought it was a safety issue.

Councilor Johnson was not comfortable with recreational marijuana, but it was passed by the voters. He did not have a problem with medical marijuana. Allowing recreational would bring in revenue, and people in Newberg were driving to other cities to get it.

Councilor Woodruff said one of the reasons she had supported the ban was because the State had not worked out the regulations. Those regulations were now in place and she thought prohibition was the wrong approach.

Mayor Andrews had also been in favor of the ban because of the unknowns. Subsequently rule changes and legislation had been made and with those changes it was apparent that this was the right way to go to manage marijuana on behalf of the citizens of Newberg.

**MOTION: Bacon/Johnson** moved to approve Ordinance 2016-2802, An Ordinance repealing Newberg Municipal Code 9.10.025 ban of early marijuana sales. Motion carried (7 Yes/0 No).

**PUBLIC HEARING - ADMINISTRATIVE:** Wastewater Rates Resolutions

Mayor Andrews opened the hearing and called for any abstentions or conflicts of interest on the part of the Council. There were none.

FD Zook presented the staff report. In March the Council held a public hearing on rates as recommended by the Citizen Rate Review Committee, and the Council referred the wastewater rates back to the CRRC for the purpose of increasing the rate to include more Infiltration and Inflow projects. The CRRC met again in March and held a public hearing in April and voted 3-1 to not refer the higher rate back to Council. However, the higher rate was published and presented to Council per the Council's request.

Deb Gallardi, consultant, discussed the revised rate that would include the additional I & I projects even though it was not the recommendation of the CRRC. When the CRRC began their review of the rates, they considered revenue increases for wastewater that ranged from 3.25% to 5.95% per year. They settled at 4% as they thought it balanced the various objectives and funded the most needed capital improvements. Some of the projects that were deferred were I & I projects. Staff reworked the numbers to include those costs. Some of the projects could be funded through SDCs and use of reserves to mitigate the rate increase, and staff came back with a 4.2% rate increase instead of a 4% increase. There was increasing debt service for wastewater due to improvements at the Wastewater Treatment Plant. Those needs along with inflationary increases and maintenance costs needed to be met. These rates would be in effect for a two-year cycle. The average monthly bill increase would be \$2.65 in 2016-2017 and \$2.74 in 2017-2018. Combined with the other rates, stormwater at 9%, wastewater at 4.2%, and water at 3.5%, a typical residential customer bill would go up 4% to 4.3% per year, or \$4 to \$5 per month. For industrial and commercial customers it would go up higher, but they would stay in the range of a 4% to 5.5% increase.

Councilor Johnson asked for an explanation of Inflow and Infiltration. PWSD Harris said inflow was when water entered the wastewater system from catch basins, sump pumps, and downspouts. Infiltration was leaking pipe joints and manholes, typically groundwater. The water ended up at the Wastewater Treatment Plant and was processed. During a large storm event in December there was 2.5 inches of rain in four hours and the Wastewater Treatment Plant was peaking due to stormwater. He said these issues needed to be addressed because of higher costs for pumping and chemicals, potential overflows that could lead to DEQ violations, and sink holes. They needed to invest in their underground piping to make the piping system more competent and save overall operation and maintenance costs. There were a lot of pipes reaching the end of their lives and these I & I projects helped make the pipes structurally stable.

Rick Rogers, CRRC Chair, said the Committee did not vote for this increase. The rationale was originally the Committee was presented with a 5.95% increase, and the Committee thought that was too high. Staff came back with a shorter list of projects the Committee thought was too low, and settled in the middle at 4%. He thought I & I projects were important but the Committee deferred to staff and the projects they came back with at the 4%.

FD Zook said there were four options as presented in the packet. The Council could adopt one of the two resolutions, either the CRRC recommendation of 4% or the one with the 4.2%, lower the rates, or refer the rates back to the CRRC.

Councilor Essin asked if the resolution with the higher rate would take care of the problem. PWSD Harris said there was no guarantee on I & I projects. They would be making the pipes and system more competent, but there were varying results in different communities. He explained they would be following the Keller and Associates Infiltration and Inflow Plan for the projects.

Ms. Gallardi said the I & I projects were part of the Capital Improvement Plan in the full 5.95% rate increase. When the CRRC asked for a reduction in the rate, the I & I projects were taken out because of other higher priority projects. It was a recommended plan for a target revenue increase that staff was bringing back. There was discussion on what the average cost would be per household and the use of reserves for the projects. Ms. Gallardi said the difference in the bill for the 4% rate increase and 4.2% rate increase was \$0.12 in the first year and \$0.26 in the second year.

FD Zook said staff recommended choosing between one of the resolutions.  
Mayor Andrews closed the hearing.

Deliberations:

Councilor Essin said if the rate was compounded year after year then it would make a difference over several years. Staff would get more done with the higher rate increase, but he worried the raise in rates there would mean a decrease in use. It was hard to override the recommendation from the CRRC and he thought the City's prices were getting high. He opposed the resolution. Councilor McKinney was in favor of the higher rate increase. Some of the formulas had been changed to anticipate some of the short falls. He did not want to get further behind in the I & I projects. Councilor Johnson was concerned about competing needs for funds, such as pipes, streets, and public safety. He understood the need for I & I projects, but thought the 4% was adequate and the projects would be done at a later time. He did not know how citizens would feel about raising the rates 4.2% and needing to fund these other areas.

Mayor Andrews thought the projects could not continue to be pushed off onto the next generation to take care of the community to keep it livable and manageable. He was in favor of the higher rate. Councilor McKinney said this was one thing that had been kicked down the road that was solvable for a number of cents. It would be a small impact to citizens. Councilor Woodruff thanked the CRRC for their work. She had considered all of the things they would be asking citizens to pay for in making this decision. Councilor Johnson wanted to make sure the message was clear that a lot of thought went into the rate increases. There were projects that needed to be done.

**MOTION: McKinney/Bacon** moved to approve Resolution 2016-3284, A Resolution adopting new monthly wastewater rates for the City of Newberg effective January 1, 2017 and January 1, 2018. Motion passed (6 Yes/1 No [Essin]).

**NEW BUSINESS:** Resolution 2016-3286

FD Zook said when the Council approved the water rates in March, it was pointed out that the revenue increase was 3% and fell beneath the 4.2% cap in the City's Code that described the process by which rates could be referred to the voters. Staff discussed this issue further and realized that each individual rate was subject to that threshold. The resolution had to identify the portion of the rate that was referable and the resolution the Council originally passed did not have that information. This resolution included the information in Exhibit A. The rates that were approved had not been changed. He gave an example in the resolution.

CA Stone explained when the rates came to the Council, Robert Soppe pointed out the Code required a piece of information be included in the resolution which was missing. Staff clarified it that night on stormwater because it was easily calculated, but they did not calculate how much each individual rate exceeded the amount the Code allowed the rate to be increased without the potential referral to the voters. This new resolution would add that portion in that was required. He discussed the different ways that this could be looked at and how he decided what was required.

**MOTION: Bacon/McKinney** moved to approve Resolution 2016-3286, A Resolution amending Resolution 2016-3257 adopting new monthly water rates for the City of Newberg effective January 1, 2017 and January 1, 2018. Motion passed (6 Yes/1 No [Essin]).

Resolution 2016-3281:

PWSD Harris said in 2014 staff calculated where the pavement system was and Council discussed the funding to maintain the existing pavement conditions. The direction was to look at a street utility and street lighting fee and bring on a consultant to do the work. This resolution would approve the creation of a team of consultants to come up with a rate structure as well as do community outreach. One funding source would not solve the entire problem and there would need to be multiple sources.

There was discussion on how delaying action on dealing with the city's pavement system had not helped the problem and that costs had continued to increase while the City did not fix its roads. The consensus was that it was time to get this accomplished and do something to change the situation.

**MOTION: Johnson/Bacon** moved to approve Resolution 2016-3281, A Resolution to authorize the City Manager Pro Tem to enter into a Professional Services Agreement amendment with Kittelson & Associates, Inc. to provide Engineering, Financial, and Community Outreach Services for the City's Pavement System Maintenance and funding Master Plan project in the amount of \$75,000.00. Motion carried (7 Yes/0 No).

**ADJOURNMENT:** The meeting was adjourned at 9:02 p.m.

**ADOPTED** by the Newberg City Council this 6th day of June, 2016.

  
Sue Ryan, City Recorder

**ATTESTED** by the Mayor this 8<sup>th</sup> day of June, 2016.

 Bob Andrews, Mayor