

**CITY COUNCIL AGENDA
MAY 2, 2016, 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. Announcement of “If I were Mayor” Contest awards Page 1
2. Oregon Ready to Read Project

V. PROCLAMATIONS

1. Newberg High School Cheerleaders Pages 2-3
2. National Historic Preservation Month Page 4

VI. CITY MANAGER’S REPORT

VII. 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)

VIII. CONSENT CALENDAR

1. Minutes from April 4 and 6, 2016 Pages 5-14
2. Resolution 2016-3290, A Resolution authorizing the City Manager Pro Tem to appoint recommended candidate to a position in Public Works Operations Pages 15-17
3. Resolution 2016-3285, A Resolution approving the purchase of Genetec Software from CVE Technologies Pages 18-19
4. 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. Pages 20-21

Agenda continued on next page

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.

VIII. CONSENT CALENDAR, continued

- 5. 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 Pages 22-25
- 6. 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 Pages 26-29

IX. PUBLIC HEARING – LEGISLATIVE

- 1. Ordinance 2016-2802, An Ordinance Repealing Newberg Municipal Code 9.10.025 ban of early marijuana sales Pages 30-37

X. PUBLIC HEARING – ADMINISTRATIVE

- 1. Resolutions 2016-3263 and 2016-3284, resolutions adopting new monthly Wastewater Rates for the City of Newberg effective January 1, 2017 and January 1, 2018 Pages 38-44

XI. NEW BUSINESS

- 1. 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 Pages 45-48
- 2. 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 Pages 49-60

XII. COUNCIL BUSINESS

XIII. 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: May 2, 2016

Order ___ No.	Ordinance ___ No.	Resolution ___ No.	Motion ___	Information <u>XX</u>
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SUBJECT: Announcement of the 2016 If I Were Mayor Contest winners

**Contact Person (Preparer) for this Item: DawnKaren Bevill
Dept.: City Manager's Office
File No.:**

EXECUTIVE SUMMARY:

The City of Newberg had a great turnout for their 2016 "If I were Mayor Contest", which encourages students to engage in a civic leadership exercise.

After weeks of work answering the question of what they would do as the elected leader of Newberg, twenty-seven students participated from Mabel Rush Grammar School and Chehalem Online Learning Academy. Their works were judged by community members and city staff. Many thanks to Councilor Denise Bacon and Lynn Weygandt of Newberg.

The winners will be announced at the Newberg City Council Meeting on May 2, 2016.

REQUEST FOR COUNCIL ACTION

DATE ACTION REQUESTED: May 2, 2016

Order ___ Ordinance ___ Resolution ___ Motion XX Information ___
No. No. No.

SUBJECT: Approve a proclamation declaring May 2, 2016, 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 2, 2016, 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 2015-16 school year by bringing home the Oregon School Activities Association (OSAA) Oregon State Cheerleading Championship title in the 6A division and placing first in the small/medium varsity showcheer non-tumbling 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 2, 2016, 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 13, 2016, the team claimed its second consecutive Oregon Cheerleading Coaches Association (OCCA) championship title at the Oregon School Activities Association (OSAA) State Cheerleading competition; and

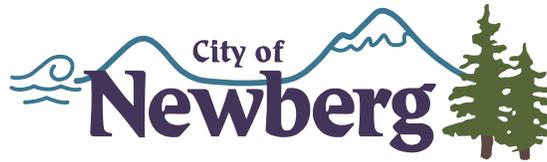
WHEREAS, on March 20, 2016, in the United Spirit Association (USA) National Championship competition, the NHS Varsity Cheer team placed first in the small varsity show cheer non-tumbling division in Anaheim, California; and

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 2, 2016**, 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 2nd day of May 2016.

Bob Andrews, Mayor



PROCLAMATION

A PROCLAMATION FOR NATIONAL HISTORIC PRESERVATION MONTH 2016

WHEREAS, The National Trust for Historic Preservation established May as Historic Preservation Month in 1973, as a way to promote historic places for the purpose of instilling national and community pride, promoting heritage tourism, and showing the social and economic benefits of historic preservation; and

WHEREAS, The City of Newberg recognizes May as Historic Preservation Month and supports events in the community to instill awareness and promote the historic assets in Newberg; and

WHEREAS, Historic Preservation Month can instill awareness of the local historically significant buildings and landmarks to the residents of Newberg and surrounding communities; and

WHEREAS, Historic Preservation Month can promote Newberg's locally designated historic landmarks and landmarks listed on the National Register of Historic Places; and

WHEREAS, Historic preservation can be a community discussion; uniting residents behind an important cause; and

WHEREAS, Historic preservation has been shown as a great way to create jobs, stabilize property values, and preserve existing housing stock;

NOW, THEREFORE, IT IS PROCLAIMED, by the Mayor and City Council, and on behalf of the citizens of the City of Newberg, Oregon, that we proclaim May 2016 as National Historic Preservation month in Newberg.

IN WITNESS WHEREOF, I have hereunto set my hand and cause the Seal of the City of Newberg to be affixed on this 2nd day of May, 2016.

Bob Andrews, Mayor

REQUEST FOR COUNCIL ACTION

DATE ACTION REQUESTED: May 2, 2016

Order ___ Ordinance ___ Resolution ___ Motion XX Information ___
No. No. No.

SUBJECT: Minutes

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

RECOMMENDATION:

Approve City Council minutes from April 4 and 6, 2016.

**NEWBERG CITY COUNCIL MINUTES
REGULAR SESSION
April 4, 2016, 7:00 PM
PUBLIC SAFETY BUILDING (401 E. THIRD STREET)**

The work session was held at 6:00 p.m. preceding the meeting. Present were Mayor Bob Andrews, Councilors Lesley Woodruff, Stephen McKinney, Scott Essin, Denise Bacon and Mike Corey. Also present were City Manager Pro Tem Stephen Rhodes, City Attorney Truman Stone, City Recorder Sue Ryan, and Associate Planner Jessica Pelz.

COUNCIL ITEMS: City Attorney Stone had one item and Council President Denise Bacon had one item.

WORKSHOPS: Associate Planner Pelz introduced teachers at Mountain View Middle School and explained the Design Star program. The six finalists presented their Design Star projects. Group 1 presented on a Salt and Straw Ice Cream Shop idea with apartments on the second floor. Group 2 presented on Beyond the Stars restaurant. Group 3 presented on Green Education. Group 4 presented on the Allison Mall. Group 5 presented on Sweets and Pops Soda Shop. Group 6 presented on a Wedding Central idea. CP Bacon thanked the children for their work. Mayor Andrews also thanked the students and their families and thought staff should take note of these ideas.

There was a five minute recess.

CP Bacon asked about the Newberg Animal Shelter contract. Her neighbors had a house fire and their dog was taken to the shelter in McMinnville. CP Bacon got the dog from the shelter and took care of it until her neighbors returned. She thought when the contract was written, that there would be two crates available for Newberg but it wasn't well defined. She thought this was the kind of situation that the shelter in Newberg should be used for. She believed when they agreed to the animal shelter contract that the City would eventually become partners with Yamhill County where the animal shelter would be part of the Yamhill County network and Newberg dogs would stay in Newberg. She wanted to know why the shelter was getting free rent if the City was not getting the services they agreed to receive and what future plans they had to meet the contract. There were some people who filled out an application to volunteer for the shelter, but never heard back.

Jann Floren and Kristal Kase, volunteers at the shelter and Board Members of the Animal Shelter Friends, said it was the County's decision to not use the facility. All police officers had access, and there were two kennels at the shelter for use in emergency situations. They had talked to Police Chief Casey about protective custody kennels and they kept two available at all times. Some of the new officers might not know how to access the building. If volunteers did not hear back on applications, they should apply again as needs changed throughout the year. They had many goals for the shelter, such as getting a kennel license.

Rebecca Wallis worked with several non-profits and often got questions regarding Newberg Animal Shelter. A kennel license was never applied for and no request was put in for Yamhill County which meant the shelter would not have been considered for opening kennels up to the County because they did not apply for the RFP. There had been instances of people contacting the Newberg Animal Shelter asking if the shelter could house a dog overnight that was being transferred and were told they could not because it was in the lease that they could not. She had been told no by the shelter manager for an emergency shelter for pets of women in a women's shelter. She had been told the shelter was full and that it was against the lease. She did not think the lease said they could not help other rescues or non-profits in their need to house an animal temporarily. It was concerning that the City paid for the shelter's operation and they were not operating it as a business. In order to get a kennel license, the shelter needed a ventilation system, which could be a fan installed in the ceiling, and non-porous surfaces in the kennels, which could be purchased at Lowe's. These were both inexpensive fixes to become a full shelter for the community.

There was discussion regarding the budgetary restraints and goals that still needed to be met. Councilor McKinney suggested more discussion on productive ways to solve the problems beyond a contract issue. CP Bacon thought having a conversation was the best place to start. The shelter needed to be open to citizen suggestions.

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

Staff Present: Stephen Rhodes, City Manager Pro Tem Sue Ryan, City Recorder
Truman Stone, City Attorney Jessica Pelz, Associate Planner
Doug Rux, Community Development Director Jeff Kosmicki, Sergeant
Nancy McDonald, Interim Human Resources Director

PLEDGE OF ALLEGIANCE: The Pledge of Allegiance was performed.

PROCLAMATIONS: Mayor Andrews proclaimed April 10-16 as National Telecommunicators Week.

PRESENTATIONS: - Dave Huber and Dean Kampfer of Waste Management presented on the services they offer to the City.

Sheryl Kelsh, of the Chehalem Valley Chamber of Commerce, presented the chamber's quarterly report.

Pat Haight presented a ticket to a Policeman's Ball to Newberg Police Captain Jeff Kosmicki in gratitude for his service to her family.

CITY MANAGER PRO TEM'S REPORT: City Manager Pro Tem Rhodes reported signs for two reserved parking spaces for veterans had been placed in the 2nd Street Parking Lot. He also reported on the Economic Development Strategy meeting.

CONSENT CALENDAR:

MOTION: Corey/Woodruff moved to approve minutes from March 7 and 14, 2016; Resolution 2016-3270, A Resolution authorizing the City Manager Pro Tem to appoint recommended candidate to a position in the Public Works Operations; Resolution 2016-3255, A Resolution awarding a contract to Lookout for the Development of a Tourism Strategy for the City of Newberg; Resolution 2016-3272, A Resolution to authorize the City Manager Pro Tem to enter into a construction contract with the Saunders Company Inc. for the Aquarius St. Wastewater lateral replacement project in the amount of \$148,030.50. Motion carried (6 Yes/ 0 No).

PUBLIC HEARING - LEGISLATIVE: Ordinance 2016-2798:

Mayor Andrews reopened the public hearing. He said this hearing was a continuation from the last meeting of the Council. He called for any abstentions or conflicts of interest on the part of the Council. There were none.

Community Development Director Doug Rux gave the staff report. He said on March 21 Council discussed the issue of recreational marijuana producers and processors. There was concern regarding Ms. Ralston's property on Springbrook and using an old bank building for processing. Council directed staff to look into making processing Conditional Use in the C2 district. Staff included maps of all the C2 districts in the City, 1,000 foot buffers from schools and parks, and the possible C2 locations to allow processing as a Conditional Use. Staff also included distance measurements. The distance from the elementary school property to the property boundary of the old bank building was 968 square feet and to the other building on the property it was over 1,000 square feet. OLCC regulations licensed a site that could be just the building or it could be the site or a portion of the site along with the building. Processors needed to be indoors, but OLCC could license more of the site beyond the building footprint. He discussed the criteria for Conditional Use. He then discussed the attached exhibits which would allow a processor as Conditional Use with a footnote that the use was not allowed 1,000 feet or less in any direction from the closest point anywhere on the boundary line of the real property comprising an existing public park, public elementary or secondary school, or private or parochial elementary or

secondary school to the closest point of the premises of a recreational processor. Staff recommended adoption of the ordinance.

Mayor Andrews closed the public hearing.

MOTION: Bacon/Corey moved to waive the second reading of Ordinance 2016-2798. Motion carried (6 Yes/0 No).

MOTION: Bacon/McKinney moved to approve Ordinance 2016-2798, an Ordinance amending the Newberg Development Code regarding Recreational Marijuana producers and processors; and declaring an emergency and read by title only. Motion carried (6 Yes/0 No).

PUBLIC HEARING – QUASI-JUDICIAL: Ordinance 2016-2799:

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

AP Pelz gave the staff report. She said this was an application for an annexation of 2.29 acres in north Newberg off of College/Highway 219. The property had a Comprehensive Plan designation of LDR, Low Density Residential. The proposed zoning was R1, which was consistent with the Comprehensive Plan designation. She discussed the location map and gave a summary of the findings. State law recently changed where voter approved annexations were pre-empted. This was the first annexation where the Council would make the decision and the property would be annexed without going to the voters. The stipulations were that the application met the Development Code criteria, was within the Urban Growth Boundary, and was consistent with the Comprehensive Plan. The site was located within the Urban Growth Boundary and was contiguous to Newberg City limits on the southern boundary. Staff recommended the Planning Commission add a condition which asked to extend the legal description of the property being annexed to the center line of the roadway that allowed continuity across the street. City water and sewer lines were previously extended across the property to the North Valley Friends and Veritas properties that were adjacent on the east side. There was concern that there was not enough water capacity to serve future development. The applicant had to prove there was capacity and he hired AKS Engineering who explored the capacity of the Booster Pump Station. They identified upgrades that would be necessary and staff was comfortable with the assessment that the upgrades would serve the properties when needed. The application was in compliance with the Transportation Planning Rule and a traffic study did not need to be done. Staff's recommendation was for adoption of the ordinance.

Councilor Corey asked about the cost of the Booster Pump upgrades. AP Pelz said the pump station was currently adequate to serve all the properties within the City that were currently using it. The upgrades were necessary to serve future development and would need to be done at the time of development. The developers would pay for the upgrades.

Proponents: Bill Rourke, applicant, wished the upgrades were SDC eligible because they were expensive. He and his wife had lived in Newberg for 51 years and built their house on this property in 1973. It was located in the middle of an orchard and they knew at the time the City would be expanding out their direction. Property nearby was annexed into the City and developed and this property became contiguous to the City limits. A few years later he and his wife moved to a retirement community where they lived now. He began the process for annexation in 2014 and hoped to use the resources from developing the site to supplement his retirement income. He was working with a Newberg developer to develop the property. The property was in the Urban Growth Boundary and contiguous to the City and met all of the requirements for annexation. The cost of the upgrades to the Booster Pump would be shared by three entities that would be using the pump station.

There was discussion regarding the water supply for the area for future development and what the current water service was. AP Pelz clarified future development in this area would be dependent on the new water reservoir which was a future capital improvement project. CDD Rux said Mr. Rourke was working with staff and the other two entities about the size of pumps that would need to be upgraded in the Booster Pump Station to serve the annexed property, Veritas School, and North Valley Friends Church. When the water reservoir was built, this area could be converted to a gravity system and the pump station could be used as a back-up.

Mayor Andrews asked about the condition of approval. AP Pelz said the condition stated adequate public infrastructure had to be available within three years. The condition was in the findings.

Mayor Andrews closed the public testimony portion of the hearing.

AP Pelz said the final staff recommendation was adoption of the ordinance.

MOTION: McKinney/Bacon moved to waive the second reading of Ordinance 2016-2799. Motion carried (6 Yes/0 No).

MOTION: Bacon/Corey moved to approve Ordinance 2016-2799, an Ordinance annexing property located at 4016 N. College Street, Yamhill County Tax Lot 3208-02900 into the Newberg City limits and withdrawing it from the Newberg Rural Fire Protection District and changing the current zoning from Yamhill County VLDR-1 to City R-1 and read by title only. Motion carried (6 Yes/0 No).

NEW BUSINESS: Marijuana Tax:

CDD Rux gave the staff report. On March 3 the Marijuana Subcommittee discussed marijuana taxes and paraphernalia. They provided direction on the paraphernalia, but thought the tax discussion should be brought to the full Council for discussion. In 2014, the City Council had approved a 5% tax on medical marijuana and a 10% tax on recreational marijuana. In 2015 there were changes in the State legislature regarding taxes on marijuana. The question was if the ordinance passed by Council in 2014 was grandfathered in before the legislature changed the law. The Council could retain the ordinance adopted in 2014. The City had already collected some tax on medical marijuana and the next round of collections were due on April 15. There were two medical marijuana dispensaries in the City. OLCC had not licensed any recreational facilities yet. The Council put a moratorium on selling recreational marijuana out of medical dispensaries. The law stated if the City banned one of categories, the City could not get any of the State shared revenues from marijuana. If the current ordinance was kept in place, it could be challenged in court. The Council could pass a new ordinance to establish a 3% tax as allowed by State law, but it had to be referred to the voters in a Statewide General Election. This would be a safe harbor approach, however it would be a reduction in revenue. There was also discussion regarding medical marijuana dispensaries as being similar to a pharmacy and the City did not tax medication. There was a Senate Bill 1601 that pre-empted the City from taxing medical marijuana which went into effect June 2, 2016. The City could continue to tax medical until June.

Councilor Essin remembered the passing of the previous Ordinance as being done in a rush before the legislature acted. The Council was aware at the time that there might be a lawsuit. He did not want to end up with no taxing ability.

City Attorney Stone discussed the potential implications of the tax. The Council passed the original tax prior to the election where Measure 91 was considered. The legislature had been changing the laws, and he expected them to do so for several more years.

Councilor Corey said with the way SB 1601 read, it appeared the City's tax was going to be illegal on medical marijuana. If they put a 3% tax to the people, then it would be legal. CA Stone explained there was an argument whether or not Newberg's tax was grandfathered in and he explained what the Senate Bill did. The bill did not address the issue of grandfathering, but if the city was to go to the voters and the 3% tax was passed, it would only be for recreational marijuana, not medical. He discussed the options that Council had on this issue.

Councilor Bacon was opposed to the 5% tax on medical marijuana and would like to see the tax on medical marijuana lifted. Councilor McKinney suggested the City continue under the ordinance passed in 2014 and see what happened. There was a discussion on the implications of Senate Bill 1601, the marijuana tax that had already been collected, and possible litigation. Councilor Corey thought it was in the City's best interest to continue collecting the tax under the City's current ordinance.

CDD Rux clarified the taxes collected were currently being held in a reserve fund. CA Stone said if the State did not agree with the City using its ordinance, there would be the cost of litigation and repaying any taxes that were collected. There was great uncertainty in this matter in regard to the City's risk. He could discuss litigation strategies at a later time. CDD Rux said if the Council wanted the 3% tax to go on the ballot, it would have to be done by the first Council meeting in June.

There was consensus for the City to maintain its position with its current ordinance.

Resolution 2016-3265:

Interim Human Resources Director McDonald said the charter positions in the City were the City Manager, City Attorney, and Municipal Judge. The Council had been evaluating these positions for a number of years. She was changing the format to be easier to use, timelier, smoother, and easier to administer. The evaluations would be from the HR office instead of the City Recorder's office. They would also establish a quality review team, which was the Mayor and Council President, who would be the catalyst to get the process going every year.

MOTION: Woodruff/Bacon moved to approve Resolution 2016-3265, A Resolution updating performance standards, evaluation processes and position descriptions for charter position employees. Motion carried (6 Yes/0 No).

Resolution 2016-3282:

CMPT Rhodes said this would suspend the Fire Fee for two years until Council evaluated the merger with Tualatin Valley Fire and Rescue and took further action.

MOTION: Corey/McKinney moved to approve Resolution 2016-3282, A Resolution suspending the Fire Fee authorized by Resolution No. 2004-2509 from July 1, 2016 until further action by the Council. Motion carried (6 Yes/0 No).

COUNCIL BUSINESS: Discussion of District 4 Appointment:

CMPT Rhodes said three applications were received for the vacant Council position. One application was received late, and all applicants met the requirements. He asked if Council wanted to accept all three applications.

MOTION: Essin/Bacon moved to not consider applications not received on time. Motion carried (6 Yes/0 No).

CMPT Rhodes said there were two fully qualified candidates left to interview.

MOTION: Essin/Bacon moved to have interviews for the District 4 Council vacancy. Motion carried (6 Yes/0 No).

MOTION: Andrews/Essin moved to hold a special Council meeting on Wednesday, April 6th, at 6:00 p.m. Motion carried (6 Yes/0 No).

Councilor Bacon shared the project for the Ford Family Cohort. It was a County-wide poverty simulation.

EXECUTIVE SESSION PURSUANT TO ORS 192.660 (2) a Employment of Officers: Council entered executive session at 10:21 p.m. Staff present included CMPT Rhodes, CA Stone and IHRD McDonald. There was discussion on the City Manager Recruitment Process. Council exited executive session at 10:41 p.m.

ADJOURNMENT: The meeting was adjourned at 10:43 p.m.

ADOPTED by the Newberg City Council this 2nd day of May, 2016.

Sue Ryan, City Recorder

ATTESTED by the Mayor this ____ day of May, 2016.

Bob Andrews, Mayor

**NEWBERG CITY COUNCIL MINUTES
SPECIAL SESSION
APRIL 6, 2016, 6:00 PM
CITY HALL First Floor Conference Room
414 East First Street**

CALL MEETING TO ORDER

Mayor Andrews called the meeting to order at 6:00 p.m.

ROLL CALL

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

Staff Present: Stephen Rhodes, City Manager Pro Tem Truman Stone, City Attorney
Sue Ryan, City Recorder

CALL TO ORDER: Mayor Andrews called the meeting to order at 6:00 p.m. There was a discussion on the interview process.

INTERVIEW OF CITY COUNCIL CANDIDATES FOR DISTRICT 4:

Mayor Andrews asked Suzanne Meenahan, Council candidate, to talk about her background.

Ms. Meenahan shared her background. She moved here from Michigan to the Oak Knoll subdivision. It was a beautiful City and State. She had two children, a son and a daughter. She volunteered at Edwards Elementary as a SMART volunteer where her daughter was a teacher. She was interested in seeing Newberg grow and prosper. She was a pastry chef at a restaurant in downtown Portland. She was busy but not too busy to bring her volunteerism up to a higher level.

Councilor Corey asked why she was interested in serving as a Councilor. Ms. Meenahan said she had been reading in the newspaper about the issues the City had been going through in the last few years. She was especially interested in the Water Department and was excited to see all of the things happening in the downtown area. She wanted to be a part of that to see it grow and add more events. Her background in Michigan was putting on public events for school districts.

Councilor McKinney asked what her interest was in the Water Department. She said she had read in the newspaper about the non-potable water and wanted to see more businesses using it. The more you talked about it and planned for it the more companies could get involved. She would like to see it added to be used in neighborhoods as well.

Councilor Woodruff asked what other volunteer opportunities she had been involved in. Ms. Meenahan said she had volunteered at the Cultural Center and at Providence Hospital.

Councilor Essin asked what she felt the most crucial issue was facing Newberg today. She said how they were managing the Bypass and how it would affect the community. She went to some of the meetings when they were first talking about it and there had been many changes. She was interested in why so many of the changes had taken place. No matter what your socioeconomic level was everyone should have a good feel for the City. Everyone should have a nice landscape, amenities to go forward with, and a lot of parks that were super nice for all the kids.

Councilor McKinney asked what she thought should be done in the neighborhoods that did not keep up their property. She said there were some that did not and shared the issues in her neighborhood where there were six to eight homes in her subdivision that weren't part of the HOA and didn't keep up appearances. She suggested allocating money to certain neighborhoods and researching grants and HUD funding to help renovate lower socioeconomic areas. When people lived in harmony and the surroundings were calm and kept up, everyone would get along better.

Councilor Bacon asked her what the most positive attribute of the City was. Ms. Meenahan said it was the friendliness of the community. She said the Police and Fire Departments were forthcoming and intermingled with the community.

Councilor McKinney asked what she thought about the most recent decisions of the City Council. Ms. Meenahan said the recent decisions with the recreational and medical marijuana were thoughtful and the City Council was keeping all the options open. Councilor McKinney asked a follow on as to how her friends and neighbors felt about how the City dealt with the marijuana issue. She said they were hoping for the 3% tax for recreational and no tax on medical marijuana. She understood the revenues from the State were based on population and number of dispensaries and the revenue could be used for many things. Councilor McKinney said he was not a big advocate of that option and there were more liberal voices on the Council. When the Council decided to stay with the current ordinance and wait and see what happened, what was her take on that decision? She wondered if by delaying making a decision it would negate any revenues coming in to the City. She was watching the news and they said in Portland there were going to be weed mobiles where people could consume marijuana on buses for tourism. Her friends were a mix of people interested or not interested. It could be another revenue stream.

Mayor Andrews asked if she understood the time commitment needed to serve on the Council and if she could meet the requirements. Ms. Meenahan said yes, she understood they met twice a month and there were subcommittee meetings and other community events to attend. She was up for it and did not think it would conflict with her work in Portland. Mayor Andrews explained the Council's schedule this month. She thought she could adapt to the schedule.

Councilor McKinney said the time commitment often was a surprise to new Councilors. It could affect family time, was she prepared for that? Ms. Meenahan believed she was.

Mayor Andrews asked what questions she had for the Council. Ms. Meenahan asked how many City events the Council was expected to attend. Mayor Andrews explained they were representing the citizens of Newberg, but they did not need to attend every event other than those relating to the work of the Council. He listed the activities that Council typically attended.

Council President Bacon explained she would get invited to every event in the City and would have to decide which ones to attend.

Ms. Meenahan asked about civic education among youth. CP Bacon said the Council did go to schools when invited and students and scout troops occasionally attended Council meetings. Mayor Andrews discussed the If I Were Mayor Contest. Ms. Meenahan asked City Attorney Stone about what marijuana taxes could be used for. CA Stone said it was supposed to be used for public safety. Ms. Meenahan asked if it could be used for programs at schools regarding the dangers of marijuana? CA Stone did not know. Ms. Meenahan asked about tourism money, could any be used for paving the parking lot? CA Stone said it was a complicated question. A portion of the transient lodging tax went to the General Fund that could be used for any purpose, and an amount was designated for tourism promotion or facilities which did not include parking lots or infrastructure. Ms. Meenahan asked if the money could be used for businesses to keep up their appearance along Highway 99E? CA Stone thought it would be difficult to say those stores catered to tourism. Councilor McKinney said there were a number of prescribed formulas that established how tourism money could be used.

There was a brief recess.

Mayor Andrews asked Patrick Johnson, Council candidate, to describe himself. Mr. Johnson said he was a dad with two daughters and had been married for about 20 years. He went to High School in Newberg and graduated from George Fox University in Communications. He had worked in newspapers and was currently working in communications. He had a decade's worth of experience in volunteering for government. He had served as a Councilor in Canby for several years.

Councilor Corey asked why he was interested in serving on the Council? Mr. Johnson had intended to serve just at the Planning Commission and Budget Committee levels. When he watched how Council handled the Wilsonville Road issue, he was impressed and was interested in serving on the Council because of its excellent performance on a tough issue.

Councilor Woodruff asked what other volunteer opportunities had he been involved in? Mr. Johnson said he had served on the Budget Committee, Planning Commission, and went to events with his kids. He considered his job as public service as the Oregon Lottery supported parks, schools, and watersheds.

Councilor Essin asked what he thought was the most crucial issue facing the City. Mr. Johnson replied budget issues such as where to get funding to fix roads, fix the library, funding for the Fire Department, water bills, utility fees, and services provided to citizens.

Councilor Bacon asked what he thought was the most positive attribute of the City? Mr. Johnson said it was the responsiveness and communication. He told a story about his van getting hit, but the person who hit him was not cited. The police officer took the time to explain why, and he appreciated that. If people had questions or issues, they were answered.

Councilor McKinney asked for his assessment of any recent decisions made by the Council. Mr. Johnson said the TVF&R trial was a good example of the Council handling an issue well with communication, discussion, and negotiation.

Councilor McKinney asked a follow on. Was there a time he thought the Council could have handled something differently. Mr. Johnson said he did not think they should tax medical marijuana.

Mayor Andrews asked about being able to meet the time commitment. Mr. Johnson thought the Council probably attended four to five meetings per month on average. He would not be here if he could not meet the time commitment. He said late August until after school began in the fall he would be very busy with his job, but a lot of the events happened on the weekend.

Mayor Andrews asked if he had any questions for the Council. Mr. Johnson asked about the relationship they had with their public employee union associations. Mayor Andrews said they were policy setters and not involved in labor negotiations. The Council approved labor contracts that came from the management team. It was valuable to have some labor background to understand the information that they received.

Mr. Johnson asked how well they worked with the Chamber. Councilor Bacon said she worked closely with them. Councilor Corey had sat in on some of the Chamber Board meetings. Councilor Essin had worked with the Chamber Director quite a bit. Councilor McKinney said the Chamber Director was interested in discussing things with the Council. Regarding the relationship with unions, the City had always had a good relationship with them and the Council could provide input during the process. Councilor Woodruff did not have too much contact with the Chamber, but they were always responsive to questions and good to work with. Mayor Andrews thought there was a good partnership between the City and the Chamber.

Mr. Johnson said the City needed economic development and the Chamber was an important part of attracting businesses. Councilor McKinney said the relationship was a partnership. The Downtown Coalition was the biggest stakeholder as far as what happened downtown. It was more important to establish the partnership so it never deteriorated into an adversarial relationship.

Mr. Johnson stated he worked for the Oregon Lottery and there was some question since the City received economic development money from the State and some OLCC licenses were tied to lottery retailers. He got an Oregon Ethics Commission opinion that it was not a conflict since he did not receive a financial benefit from any decision the Council would make. If he saw a potential controversy, he would abstain from those decisions.

There was a brief recess.

Mayor Andrews asked for comments. Councilor Bacon thought both candidates were very committed and passionate about the community. Councilor Corey said both were great candidates, but Mr. Johnson had more experience. Councilor Essin said there were two great candidates and felt that both understood the responsibilities and time commitment. Councilor Woodruff said both had good questions for Council. She thought Mr. Johnson had more direct experience and was already involved by being on a City Committee, but Ms. Meenahan would bring a new voice to the City organization and would balance the Council by gender. Councilor McKinney was glad the applicants seemed to be aware of what was going on in the City. Mr. Johnson had more experience being a Councilor in Canby and a Newberg City Committee member.

Mayor Andrews thanked both candidates for being here. He asked the candidates if they were not successful, would they want their application to remain active and possibly serve on other advisory committees to the Council. Mr. Johnson said he would remain on the Planning Commission. Ms. Meenahan would be willing to serve on another committee.

MOTION: Bacon/Essin moved to nominate Patrick Johnson as a Councilor to fill the vacant Council seat in District 4 to serve a term until December 31, 2018. Motion carried (6-0).

MOTION: McKinney/Corey moved to close nominations and have a unanimous ballot for Patrick Johnson. Motion carried (6-0).

City Recorder Sue Ryan administered the oath of office to Patrick Johnson.

Mayor Andrews explained the upcoming schedule for the Council and discussed how Mr. Johnson could get set up to receive information. There was a delegation coming to Newberg from Poysdorf, Austria, in July.

ADJOURNMENT: The meeting was adjourned at 7:40 p.m.

ADOPTED by the Newberg City Council this 2nd day of May, 2016.

Sue Ryan, City Recorder

ATTESTED by the Mayor this ____ day of May, 2016.

Bob Andrews, Mayor

REQUEST FOR COUNCIL ACTION

DATE ACTION REQUESTED: May 2, 2016

Order ___ Ordinance ___ Resolution XX Motion ___ Information ___
No. No. No. 2016-3290

SUBJECT: Resolution authorizing the City Manager Pro Tem to appoint the recommended candidate to the position as listed below.

**Contact Person (Preparer) for this Motion: Nancy McDonald, Interim Human Resources Director
Dept.: Administration
File No.:**

RECOMMENDATION:

Adopt **Resolution No. 2016-3290** Authorizing the City Manager Pro Tem to appoint the recommended candidate to the position as listed below.

EXECUTIVE SUMMARY:

The City Charter, Chapter VIII, Section 34(h) provides the manager pro tem “has the authority and duties of manager, except that a Manager Pro Tem may appoint or remove employees only with council approval”.

The City Manager Pro Tem Steve Rhodes and Interim Human Resources Director McDonald have reviewed the recommendation for hire submitted by the position’s supervisor and recommend the hiring of said candidate to the council for their approval pursuant to the city charter as stated above.

The City of Newberg has successfully recruited for the vacant position listed below. The recommended candidate is currently being vetted through the appropriate hiring procedure for the department as indicated.

Public Works – Operations Line Items: 06-5131-431000 and 07-5141-431000

Seasonal Maintenance Worker Non-exempt, non-represented full-time, limited duration position.

- Current budget includes funding for this vacant position.
- 5 applicants (one could not make the interview schedule, the other was a no-show); 3 interviewed by Craig Pack & Dan Wilson;
- Public Works Operations has chosen Aerie Baxter. Aerie’s family has a farm in the Newberg area and he is a senior at Newberg High School. This fall Aerie will be attending Chemeketa Community College studying fire science. The Operations Division is excited to welcome Aerie to their team.

FISCAL IMPACT:

Funding for this position is in the adopted FY 2015-2016 Budget under the appropriate salary and benefit line items as indicated above.

STRATEGIC ASSESSMENT:

The growing season is upon us. Filling this position as quickly as possible will allow the Operations divisions to get a head start on all of the maintenance projects that need to be accomplished over the summer months.



RESOLUTION No. 2016-3290

A RESOLUTION AUTHORIZING THE CITY MANAGER PRO TEM TO APPOINT RECOMMENDED CANDIDATE TO A POSITION IN PUBLIC WORKS OPERATIONS

RECITALS:

1. Reason for Vacancy: This is a reoccurring seasonal full-time, limited duration position.
2. Recommendations: Interim Human Resources Director McDonald recommends the appointment of the candidate listed as soon as possible.
3. Funding: Position funding is within the FY 2015-2016 Budget and is indicated by the applicable departmental personnel services line items.
4. Manager Pro Tem Appointment: Steve Rhodes was appointed manager pro tem on September 8, 2015, by the city council. He has reviewed the recommendation for hire submitted by the supervisor(s) of the position and recommends the hiring of said candidate to the vacant position. The City Charter, Chapter VIII, Section 34(h) provides the manager pro tem “has the authority and duties of manager, except that a manager pro tem may appoint or remove employees only with council approval”.

THE CITY OF NEWBERG RESOLVES AS FOLLOWS:

The city council approves the appointment by the city manager pro tem of the selected candidate:

Aerie Baxter – Seasonal Maintenance Worker, Treatment Plants

- **EFFECTIVE DATE** of this resolution is the day after the adoption date, which is: May 3, 2016.

ADOPTED by the City Council of the City of Newberg, Oregon, this 2nd day of May, 2016.

Sue Ryan, City Recorder

ATTESTED by Mayor this _____ day of May, 2016.

Bob Andrews, Mayor

REQUEST FOR COUNCIL ACTION

DATE ACTION REQUESTED: May 2, 2016

Order ___ No.	Ordinance ___ No.	Resolution <u>X</u> No.	Motion ___	Information ___
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SUBJECT: A Resolution approving the purchase of Genetec Software from CVE Technologies.

Contact Person (Preparer) for this Motion: Dave Brooks, IT Director
Dept.: Information Technology
File No.:

RECOMMENDATION:

Adopt Resolution No. 2016-3285 approving the purchase of Genetec Software from CVE Technologies.

EXECUTIVE SUMMARY:

This resolution authorizes staff to replace video surveillance and access control systems.

The City has two independent systems for Access Control (ID Card Scanners and Electronic Door Entry) and Video surveillance.

- o The current access control system is twenty years old. Maintaining and expanding this system in its current state is cost prohibitive. This system is not Criminal Justice Information Services (CJIS) compliant.
- o The video surveillance system project was scheduled for replacement in FY 2014-15, but was placed on hold. The system is now showing signs of failure.

Solution:

Current technology gives the City the ability to consolidate both access control and video surveillance controllers in to one system. This provides both cost savings and enhanced features. Staff chose Genetec software through a competitive quote process.

FISCAL IMPACT:

Funds for this project were obtained during FY 2014-2015. The IT Department received three competitive quotes with CVE Technologies providing Genetec Software as the lowest cost option that meets all of our requirements at \$55,011.00.

STRATEGIC ASSESSMENT (RELATE TO COUNCIL GOALS):

The current access control and video surveillance systems are difficult to maintain and exhibit signs of failure. Replacing these systems with new technology will reduce staff time to administer and update these systems.



RESOLUTION No. 2016-3285

**A RESOLUTION APPROVING THE PURCHASE OF GENETEC SOFTWARE
FROM CVE TECHNOLOGIES.**

RECITALS:

1. The current access control and video surveillance systems are in need of replacement.
2. To update the current systems is cost prohibitive.
3. Genetec Software will allow the City to combine our Access Control System and Video Surveillance Systems.
4. After receiving three competitive quotes, the City chose Gentec Software from CVE Technologies.

THE CITY OF NEWBERG RESOLVES AS FOLLOWS:

1. Authorize the City Manager Pro Tem to enter into a contract with CVE Technologies to purchase Genetec Software for the price of \$55,011.00

➤ **EFFECTIVE DATE** of this resolution is the day after the adoption date, which is: _____, 2016.

ADOPTED by the City Council of the City of Newberg, Oregon, this ____ day of _____, 2016.

Sue Ryan, City Recorder

ATTEST by the Mayor this _____ day of _____, 2016.

Bob Andrews, Mayor

REQUEST FOR COUNCIL ACTION

DATE ACTION REQUESTED: May 2, 2016

Order ___	Ordinance ___	Resolution <u>XX</u>	Motion ___	Information ___
No.	No.	No. 2016-3277		

SUBJECT: 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.

**Contact Person (Preparer) for this Motion: Jason Wuertz, Project Manager
Kaaren Hofmann, City Engineer**

Dept.: Engineering Services Department

RECOMMENDATION:

Adopt Resolution No. 2016-3277.

EXECUTIVE SUMMARY:

On July 6, 2015, per resolution No. 2015-3197, Council authorized the City Manager to enter into a contract with Murray Smith & Associates to design the Villa Road Improvement Project. The project limits is Villa Road between Haworth Ave. and Park Lane. The roadway improvements consist of widening the road to allow for two travel lanes, bike lanes, and sidewalk throughout the corridor.

In addition to the roadway improvements, the City’s Stormwater Master Plan identifies the need to replace and upsize the two Hess Creek culverts at Villa Road. This first phase of construction is to replace the main Hess Creek culvert near the Railroad Trestle and a smaller culvert near Carol Ann Drive.

The City advertised the project for bid on March 28th, 2016 and received bids for the project on April 14, 2016. Four bids were received and one bid was determined to be non-responsive. The lowest qualified and responsive bidder is Emery and Sons Construction, in the amount of \$919,139.00. The engineers estimate for the project was \$950,000. The three responsive bids are as follows:

Emery and Sons Construction	\$919,139.00
K&E Excavating	\$1,038,198.00
North Santiam Paving	\$1,146,785.50

Upon council approval, the construction of the culverts is anticipated to begin in June 2016, and be completed by October, 2016.

FISCAL IMPACT:

Funding for this project is provided through the adopted 2015/2016 budget account No. 18-5150-702163 and 04-5150-7717763. Additional funding is also allocated for this project in the 2016/2017 budget.

STRATEGIC ASSESSMENT:

This project provides for maintenance, repairs, increased conveyance capacity, and improves the fish passage, and stream corridor vegetation at the two culverts across Villa Road at Hess Creek. These improvements are identified in the stormwater master plan. Completion of the culvert work is necessary to enable the completion of the pedestrian, bicycle, vehicular mobility, and safety improvements along Villa Road next summer.



RESOLUTION No. 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.

RECITALS:

1. Replacement of two culverts under Villa Road at Hess Creek are identified in the Stormwater Master Plan, and is a necessary improvement required to enable the pedestrian, bicycle, vehicular mobility, and safety improvements along Villa Road, which are scheduled for the summer of 2017.
2. The City of Newberg advertised the Villa Road Culvert Replacement Project and received four bids.
3. The lowest qualified and responsive bidder was Emery and Sons Construction, with a bid in the amount of \$919,139.00.
4. Construction for this culvert replacement project will begin in June, 2016, and will be complete in October, 2016.

THE CITY OF NEWBERG RESOLVES AS FOLLOWS:

1. The City Council, acting as Contract Review Board for the City, authorizes the City Manager Pro Tem to enter into a contract with Emery and Sons Construction, for an amount of \$919,139.00.
2. The City Manager Pro Tem and/or City Manager is authorized to negotiate and approve any needed construction change orders not to exceed 10 percent of the original contract amount.

➤ **EFFECTIVE DATE** of this resolution is the day after the adoption date, which is: May 3, 2016

ADOPTED by the City Council of the City of Newberg, Oregon, this 2nd day of May 2016.

Sue Ryan, City Recorder

ATTEST by the Mayor this 5th day of May 2016.

Bob Andrews, Mayor

REQUEST FOR COUNCIL ACTION

DATE ACTION REQUESTED: May 2, 2016

Order ___ No.	Ordinance ___ No.	Resolution <u>XX</u> No. 2016-3261	Motion ___	Information ___
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SUBJECT: 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

**Contact Person (Preparer) for this Motion: Jason Wuertz, PE, Project Manager
Dept.: Engineering Services Department
File No.:**

RECOMMENDATION:

Adopt Resolution No. 2016-3261.

EXECUTIVE SUMMARY:

In September, 2015, City Council, per resolution No. 2015-3225, authorized that certain real property along Villa Road between Haworth Avenue and Park Lane be acquired by negotiation, for the necessary roadway and stormwater improvements related to the Villa Road Improvement Project. Design of the first phase has been completed, and the acquisition of specific right-of-way has been identified. Right-of-way is needed to be acquired from two properties, known as tax lots R3217BD 0200 (1701 Carol Ann Drive) and R3217BC 00800 (1317 Villa Road).

Following the council approval of resolution No. 2015-3225, city staff and the two property owners have corresponded several times by written letters and in person meetings. The negotiations have been a friendly process, and are nearly complete.

The owners of 1701 Carol Ann Drive are Steve and Mary Goodwin and the owners of 1317 Villa Road is KWDS LLC. Details of the land to be acquired from each party are shown on Exhibits “A” and “B.”

FISCAL IMPACT:

The right-of-way acquisition will be funded through the approved budget for the Villa Road Project. The total cost of acquisition of these two properties is anticipated to be less than \$60,000. The funds used for acquisition will be split between the following funds.

18-5150-702163	Street Fund	(Transportation Improvement Related Acquisition)
04-5150-717763	Storm Rates	(Storm Improvement Related Acquisition)

STRATEGIC ASSESSMENT:

Acquisition of ROW along Villa Road between Haworth Ave and Crestview Drive will allow for the installation of needed transportation and stormwater improvements as identified in the Transportation and Stormwater Master Plans.



RESOLUTION No. 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

RECITALS:

1. It is necessary and in the public interest to acquire right-of-way along Villa Road between Haworth Avenue and Crestview Drive (the "Property") for the purpose of constructing, maintaining, repairing, and reconstructing roadway and stormwater improvements in the City of Newberg (the "Project"). Two properties have been identified requiring right of way acquisition for the first phase (Hess Creek Culvert Replacements) of the Villa Road Improvement Project.
2. Over the course of several months, city staff has been negotiating the terms of the property acquisitions, and the negotiations are nearly complete. These negotiations included written and in person meetings. The final agreed upon terms of the property acquisitions will be fair and equitable to both the property owner and the public.
3. The two properties which require acquisition of right-of-way include Steve and Mary Goodwin, owners of tax lot R3217BD0200, and KWDS LLC, owners of tax lot R3217BC00800. Details of the property acquisition locations can be seen in Exhibits "A" and "B," which is hereby adopted and by this reference incorporated.

THE CITY OF NEWBERG RESOLVES AS FOLLOWS:

1. The City Council delegates to the City Manager, or City Manager Pro Tem, the authority to execute the necessary documents to complete the property acquisitions from tax lot R3217BD0200 and R3217BC00800. All documents and agreements shall be approved as to form and content by the City Attorney.

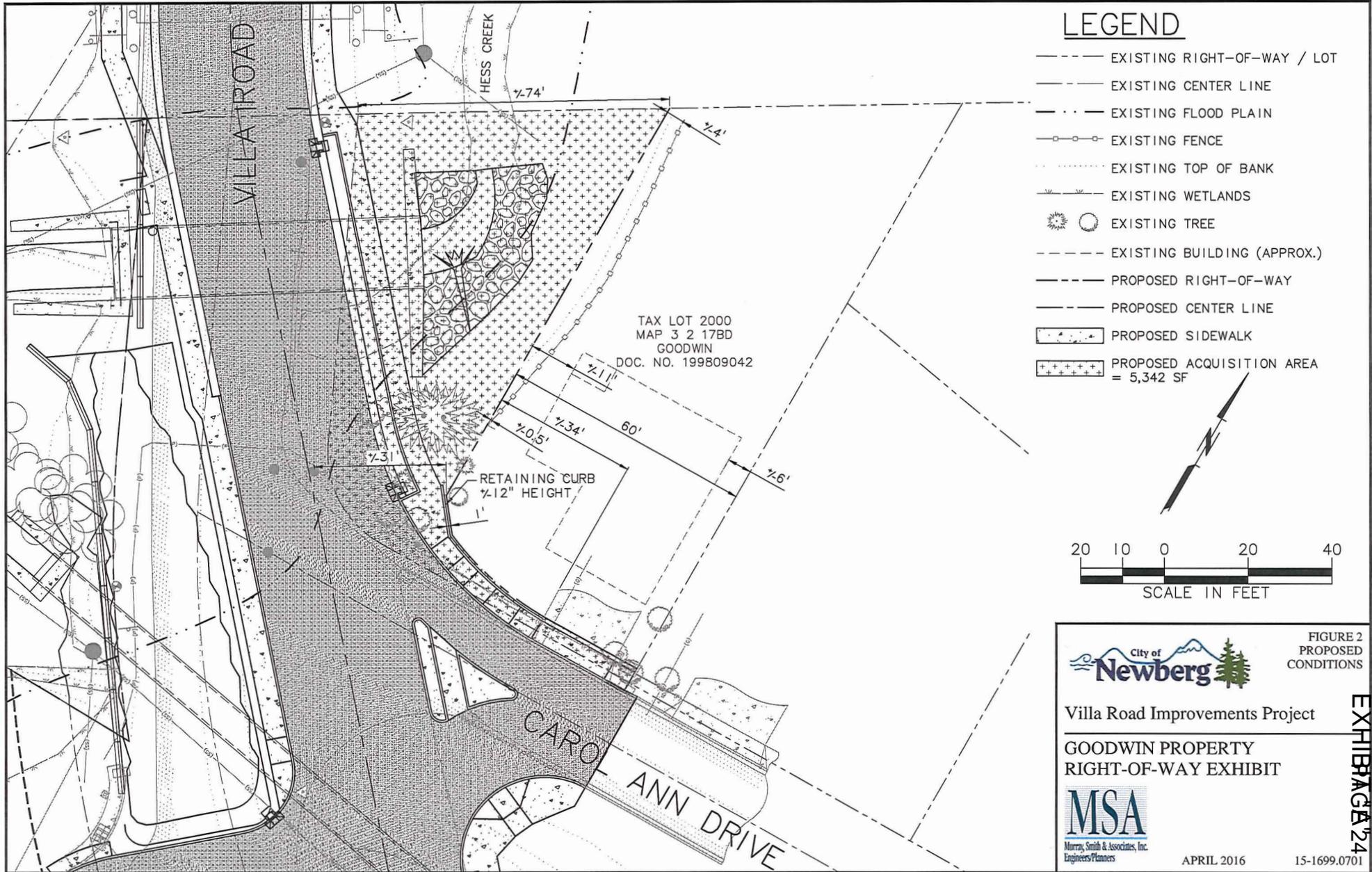
➤ **EFFECTIVE DATE** of this resolution is the day after the adoption date, which is: May 3, 2016.

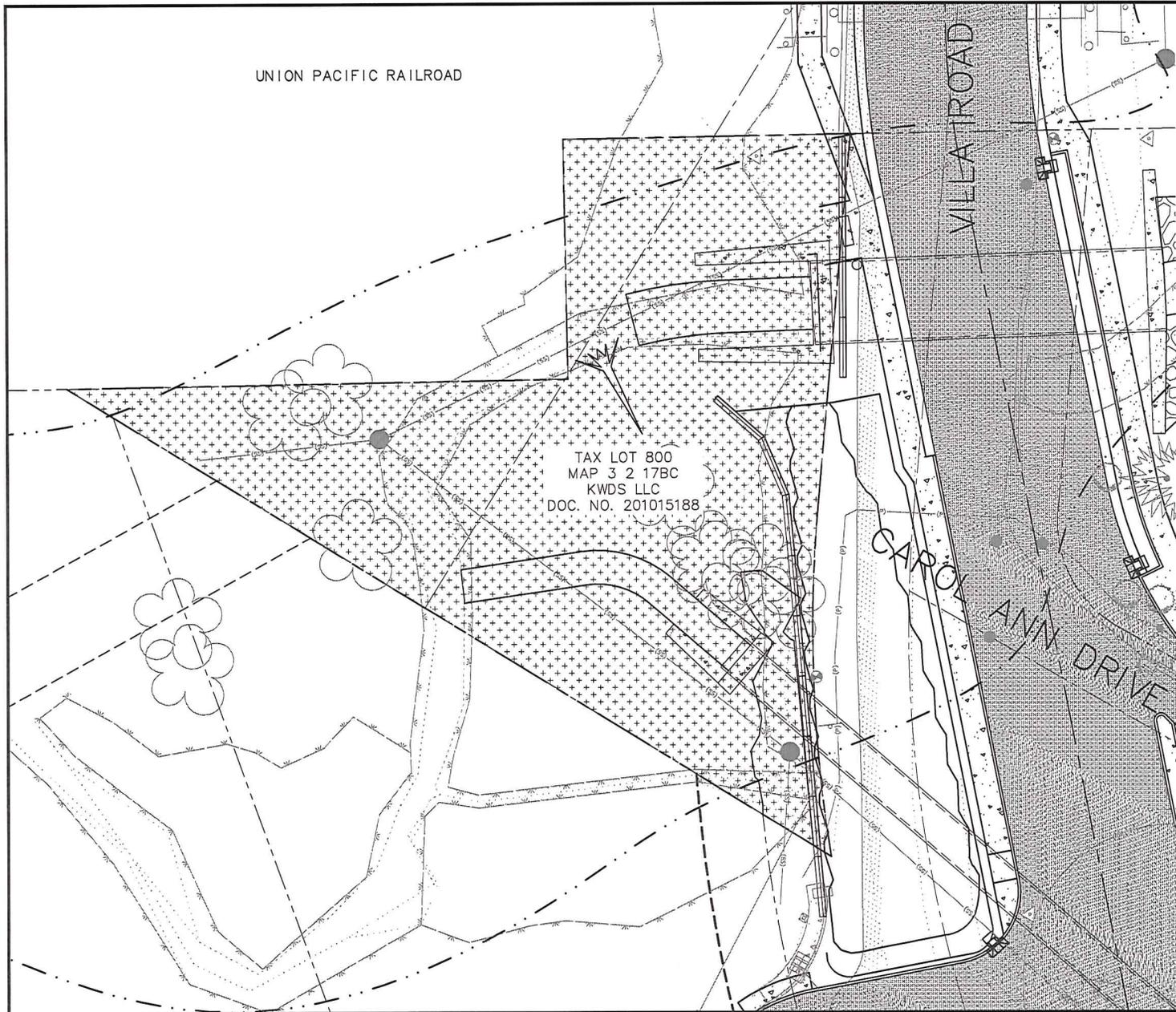
ADOPTED by the City Council of the City of Newberg, Oregon, this 2nd day of May, 2016.

Sue Ryan, City Recorder

ATTEST by the Mayor this 5th day of May, 2016.

Bob Andrews, Mayor





LEGEND

- EXISTING RIGHT-OF-WAY / LOT
- - - EXISTING CENTER LINE
- · - · - EXISTING FLOOD PLAIN
- - □ - EXISTING FENCE
- · · · · EXISTING GRADE BREAK
- W W W W EXISTING WETLANDS
- ⊗ ⊙ EXISTING TREE
- - - - - PROPOSED RIGHT-OF-WAY
- - - - - PROPOSED CENTER LINE
- ▭ (with cross-hatch) PROPOSED SIDEWALK
- ▭ (with cross-hatch) PROPOSED ACQUISITION AREA = 10,611 SF

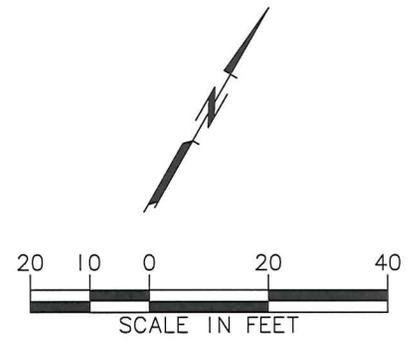


FIGURE 2
PROPOSED
CONDITIONS

Villa Road Improvements Project

MARTELL PROPERTY
RIGHT-OF-WAY EXHIBIT

APRIL 2016

15-1699.0701

EXHIBIT B 25
5/2/16

REQUEST FOR COUNCIL ACTION

DATE ACTION REQUESTED: May 2, 2016

Order ___	Ordinance ___	Resolution <u>XX</u>	Motion ___	Information ___
No.	No.	No. 2016-3289		

SUBJECT: Resolution approving the purchase of a replacement oxidation ditch rotor from Evoqua Water Technologies in the amount of \$76,145.50 and authorizing the City Manager Pro Tem to waive the competitive purchasing requirement.

**Contact Person (Preparer) for this Motion: Craig Pack, Wastewater Treatment Superintendent
Dept.: Public Works Operations Division
File No.:**

RECOMMENDATION:

Adopt Resolution No. 2016-3289 approving the purchase of a replacement oxidation ditch rotor in the amount of \$76,145.50 from Evoqua Water Technologies, and authorizing the City Manager Pro Tem to waive the competitive purchasing requirement.

EXECUTIVE SUMMARY:

The City currently owns and operates two oxidation ditches at the Wastewater Treatment Plant. The oxidation ditches each consist of four brush aerators, one of which broke in half and needs to be replaced (rotor #8).

Rotor #8 provides 25% of the dissolved oxygen for our biological treatment process in oxidation ditch #2. The oxidation ditch rotors typically run 24 hours a day, 7 days a week and this is the first rotor to have failed in this manner. This is an original piece of equipment from when the plant went online in 1987. Working with Evoqua Water Technologies to get the replacement parts quoted we have learned that it is not uncommon to have rotors failing by the 25-30 years of service mark.

Passavant was the company that supplied the brush rotor assembly at the opening of our waste water plant in 1987. Passavant was purchased by Evoqua and is the only manufacturer and supplier for this part. This replacement rotor will be a direct replacement to the existing unit allowing us to utilize the same motor and gearbox (which were replaced within the last 5 years as part of the WWTP upgrade project) and will not require any further structural changes to the oxidation ditch. There have been technological improvements over the past 30 years to improve aeration efficiency (i.e. disk aeration, and fine bubble diffusers), however those retrofit options are not feasible at this time. Those retrofit options would involve very high capital costs along with an extended construction project timeframe requiring the ditch to be offline. With only the two oxidation ditches the plant is limited to a 3-4 month window in the driest months where plant operations can occur with only one oxidation ditch in service. The upcoming wastewater master plan in fiscal year 16-17 will identify a timeline for when the additional oxidation ditches are constructed, as well as identify the best aeration system for the plant moving forward. Once the additional ditches are constructed, it will provide the opportunity for structural improvements and aeration retrofits to be considered for the existing ditches.

The Newberg Municipal Code addresses purchasing and contracting requirements including the use of brand name specifications for public improvement products. The code reference is as follows:

3.25.100 *Use of brand name specifications for public improvements.*

A. *In General. Specifications for contracts shall not expressly or implicitly require any product by one brand name or mark, nor the product of one particular manufacturer or seller, except for the following reasons:*

1. *It is unlikely that such exemption will encourage favoritism in the awarding of public improvement contracts or substantially diminish competition for public improvement contracts; or*
2. *The specification of a product by brand name or mark, or the product of a particular manufacturer or seller, would result in substantial cost savings to the city; or*
3. *There is only one manufacturer or seller of the product of the quality required; or*
4. *Efficient utilization of existing equipment, systems or supplies requires the acquisition of compatible equipment or supplies.*

B. *Authority of Purchasing Manager. The purchasing manager shall have authority to determine whether an exemption for the use of a specific brand name specification should be granted by recording findings that support the exemption based on the provisions of subsection (A) of this section.*

Evoqua Water Technologies is the original supplier/manufacturer of the oxidation ditch rotor, continues to manufacturer the replacement parts for their system, and is the only manufacturer of the proprietary system replacement part. The request is to waive the competitive purchasing requirement found in the Newberg Municipal Code for the oxidation ditch rotor produced by Evoqua Technologies Inc.

FISCAL IMPACT:

The purchase of the new replacement rotor is proposed to be funded from the FY 2016-2017 budget, from the capital improvements account 06-5131-610000. This money was authorized as a supplemental budget for the FY 2015-2016 budget, however due to long lead times on some of the equipment we will not receive the complete package until the 2016-2017 budget year. The lead time for the manufacturing and delivery of the new replacement rotor is estimated to be five months.

STRATEGIC ASSESSMENT:

This purchase of the replacement rotor will allow the Public Works Operations Division to meet aeration requirements in the existing wastewater treatment plant oxidation ditches.



RESOLUTION No. 2016-3289

A RESOLUTION APPROVING THE PURCHASE OF A REPLACEMENT OXIDATION DITCH ROTOR FROM EVOQUA WATER TECHNOLOGIES FOR \$76,145.50, AND AUTHORIZING THE CITY MANAGER PRO TEM TO WAIVE THE COMPETITIVE PURCHASING REQUIREMENT.

RECITALS:

1. The City of Newberg Public Works Operations Department operates two oxidation ditches at the wastewater treatment plant.
2. One of the brush rotors to aerate the oxidation ditch has failed. The City now runs the risk of not being able to adequately aerate the basin for proper biological treatment of wastewater effluent.
3. Replacement of the oxidation ditch rotor will allow staff to continue to operate the treatment process appropriately and meet the state permit needs of the City.
4. City Municipal Code 3.25.100 provides for the sole source procurement of equipment based on certain criteria specifically outlined in sections 3.25.100.A.2, 3.25.100.A.3 and 3.25.100.A.4:
 - In accordance with City Municipal Code 3.25.100.A.2, the Evoqua Water Technologies aeration rotor can be directly installed within the existing oxidation ditch without requiring retrofits to the facility, which allows for lower installation costs, thereby providing cost savings to the City.
 - In accordance with City Municipal Code 3.25.100.A.3, Evoqua Water Technologies is the only manufacturer or seller of the product of the quantity required.
 - In accordance with City Municipal Code 3.25.100.A.4, the Evoqua Water Technologies replacement aeration rotor has a specific dimensional configuration which will allow the City to reuse the existing oxidation ditch gearbox and motor, thereby making efficient utilization of existing equipment by the acquisition of compatible replacement equipment.
5. The City selects Evoqua Water Technologies to supply a new brush rotor at cost of \$76,145.50.

THE CITY OF NEWBERG RESOLVES AS FOLLOWS:

1. City Council hereby authorizes the City Manager Pro Tem to waive the competitive purchasing requirement for procurement of the oxidation ditch brush rotor aerator from Evoqua Water Technologies, LLC.
2. The City Council, acting as the Contract Review Board, authorizes the City Manager Pro Tem to enter into all contracts and agreements for the purchase of a replacement brush rotor aerator. The city attorney will modify and approve all contracts and agreements as to form and content.

3. The City will purchase the new replacement brush rotor aerator by using funds from the wastewater capital improvement account 06-5131-610000 from the FY 2016/17 budget.

➤ **EFFECTIVE DATE** of this resolution is the day after the adoption date, which is: May 3rd, 2016.

ADOPTED by the City Council of the City of Newberg, Oregon, this 2nd day of May 2016.

Sue Ryan, City Recorder

ATTEST by the Mayor this 5th day of May 2016.

Bob Andrews, Mayor

REQUEST FOR COUNCIL ACTION

DATE ACTION REQUESTED: May 2, 2016

Order ___	Ordinance <u>XX</u>	Resolution ___	Motion ___	Information ___
No.	No. 2016-2802	No.		

SUBJECT: An Ordinance repealing Newberg Municipal Code 9.10.025 Ban of Early Marijuana Sales.

**Contact Person (Preparer) for this Motion: Doug Rux, Director
Dept.: Community Development
File No.: G-16-007**

HEARING TYPE: **LEGISLATIVE** **QUASI-JUDICIAL** **NOT APPLICABLE**

RECOMMENDATION:

Adopt Ordinance No. 2016-2802 repealing Newberg Municipal Code 9.10.025 Ban of Early Marijuana Sales.

EXECUTIVE SUMMARY:

On September 8, 2015 the City Council was presented with questions regarding recreational sales of marijuana from medical marijuana dispensaries. The following questions were posed:

- Does the City Council want a ban on early recreational sales from Medical Marijuana Dispensaries that start October 1?
 - Retail sales begin October 1 from Medical Marijuana Dispensaries in limited amounts (1/4 ounce, 4 non-flowering plants, and seeds).
 - Recreational sales from Medical Dispensaries end December 31, 2016.
 - Ban would not allow recreational sales during this time period and does not require referral to the voters.

The Council voted instructing staff to draft an ordinance for consideration at the September 21, 2015 Council meeting. The City Council subsequently passed Ordinance No. 2015-2787 (Attachment 1).

On April 15, 2016 Ms. Sheri Ralston submitted to the City Council a request to repeal the ordinance on the early sales of recreational marijuana from medical marijuana dispensaries (Attachment 2). The Council discussed the letter on April 18, 2016 and voted instructing staff to return with a Request for Council Action to repeal the ban.

The sale of recreational marijuana from medical dispensaries is allowed by Senate Bill 460 (2015) to allow medical marijuana dispensaries to sell limited marijuana retail product starting October 1, 2015. A tax of 25% is imposed by the State on the retail sales and the City of Newberg has an additional 10% tax on gross sales.

The Oregon Liquor Control Commission has not issued licenses for retail sales out of retail establishments at this time, but has been accepting applications for retail facilities since January 3, 2016, and has adopted Temporary Administrative Rules through OAR, Division 25 in November 2015. The City Council will be considering land use regulations for recreational marijuana wholesalers, laboratories, research certificates and retailers at their May 16, 2016 meeting.

FISCAL IMPACT:

Financial impact is unable to be calculated at this time on potential local tax revenue. For the State revenue sharing program the financial impact is also unknown at this time and the timing of when any State shared revenues would be received at the local level is also unknown. The Oregon Liquor Control Commission will first repay their internal loan to set up the recreational marijuana program before commencing local revenue sharing.

STRATEGIC ASSESSMENT (RELATE TO COUNCIL GOALS):

Attachments:

1. Ordinance No. 2015-2787
2. Ms. Sheri Ralston Letter, April 14, 2016

Ordinance No. 2016-2802



ORDINANCE No. 2016-2802

**AN ORDINANCE REPEALING NEWBERG MUNICIPAL CODE 9.10.025
BAN OF EARLY MARIJUANA SALES.**

RECITALS:

1. **WHEREAS**, the Oregon Medical Marijuana Act created a system for the transfer of medical marijuana between growers and patients and caregivers through medical marijuana dispensaries;
2. **WHEREAS**, the voters adopted Measure 91 in November 2014, which provides criminal immunity for people aged 21 or older who possess certain amounts of marijuana and directs the Oregon Liquor Control Commission to license the retail sale of marijuana;
3. **WHEREAS**, the Legislature enacted Senate Bill 460 (2015) to allow medical marijuana dispensaries to sell limited marijuana retail product starting October 1, 2015;
4. **WHEREAS**, Senate Bill 460 (2015) provides that a city may adopt ordinances prohibiting the sale of limited marijuana retail product from medical marijuana dispensaries;
5. **WHEREAS**, the City Council passed Ordinance No. 2015-2787 declaring a ban on the sale of recreational marijuana by medical marijuana dispensaries and declaring an emergency on September 21, 2015;
6. **WHEREAS**, the Oregon Liquor Control Commission has not yet issued licenses for the retail sale of recreational marijuana, but has adopted Temporary Oregon Administrative Rules, Division 25 in November 2015 on recreational marijuana;
7. **WHEREAS**, the City Council instructed staff to return with a Request for Council Action to repeal the ban on recreational marijuana sales from medical marijuana dispensaries

THE CITY OF NEWBERG ORDAINS AS FOLLOWS:

Section 1. Section 9.10.025, Ban of Early Marijuana Sales, is repealed.

- **EFFECTIVE DATE** of this ordinance is 30 days after the adoption date, which is: June 1, 2016.

ADOPTED by the City Council of the City of Newberg, Oregon, this 2nd day of May, 2016, by the following votes: **AYE:** **NAY:** **ABSENT:** **ABSTAIN:**

Sue Ryan, City Recorder

ATTEST by the Mayor this 5th day of May, 2016.

Bob Andrews, Mayor



ORDINANCE No. 2015-2787

**AN ORDINANCE OF THE CITY OF NEWBERG DECLARING A BAN ON
THE EARLY SALE OF RECREATIONAL MARIJUANA BY MEDICAL
MARIJUANA DISPENSARIES, AND DECLARING AN EMERGENCY**

RECITALS:

1. **WHEREAS**, the Oregon Medical Marijuana Act created a system for the transfer of medical marijuana between growers and patients and caregivers through medical marijuana dispensaries;
2. **WHEREAS**, the voters adopted Measure 91 in November 2014, which provides criminal immunity for people aged 21 or older who possess certain amounts of marijuana and directs the Oregon Liquor Control Commission to license the retail sale of marijuana;
3. **WHEREAS**, the Oregon Liquor Control Commission has not yet licensed the retail sale of recreational marijuana;
4. **WHEREAS**, the Legislature enacted Senate Bill 460 (2015) to allow medical marijuana dispensaries to sell limited marijuana retail product starting October 1, 2015;
5. **WHEREAS**, Senate Bill 460 (2015) provides that a city may adopt ordinances prohibiting the sale of limited marijuana retail product from medical marijuana dispensaries;
6. **WHEREAS**, the City Council wants to prohibit the sale of marijuana retail products from medical marijuana dispensaries in the city to protect and benefit the public health, safety and welfare of existing and future residents and businesses in the city;

THE CITY OF NEWBERG ORDAINS AS FOLLOWS:

Section 1. Article I, General Provisions, Chapter 9.10.25, Ban of Early Marijuana Sales, is added to read as follows:

9.10.025 Ban of Early Marijuana Sales.

1. **BAN DECLARED.** The City of Newberg hereby prohibits the sale of limited marijuana retail product in any area subject to the jurisdiction of City of Newberg as described in section 2 of Senate Bill 460 (2015).
2. **DURATION OF BAN.** The ban imposed by this ordinance will be effective until December 31, 2016, or until the Legislature ends sales of limited marijuana retail product by medical marijuana dispensaries, whichever comes later.
3. **ENFORCEMENT.** Violation of the provisions of this ordinance shall constitute a Class 1 Civil

Infraction as that term is defined under the uniform civil infraction procedure ordinance. Each individual sale to a separate person shall constitute a separate offense. Enforcement shall be according to the uniform civil infraction procedure ordinance (NMC 2.30.150 et seq.).

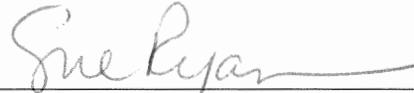
4. **ADDITIONAL REMEDIES.** Notwithstanding the enforcement provisions in subsection 3 above, the City reserves and may invoke any other remedies authorized under local, state, federal, or common law, including injunctive relief or other equitable remedies.

Section 2. Emergency Clause.

EMERGENCY CLAUSE: This ordinance being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this ordinance shall be in full force and effect on September 21, 2015.

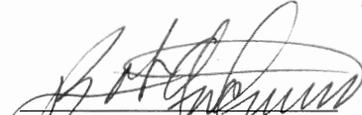
➤ **EFFECTIVE DATE** of this ordinance, which is: September 21, 2015.

ADOPTED by the City Council of the City of Newberg, Oregon, this 21st day of September, 2015, by the following votes: **AYE: 5 NAY: 2 ABSENT: 0 ABSTAIN: 0**



Sue Ryan, City Recorder

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



Bob Andrews, Mayor

Newberg City Council,

I was not able to attend tonight's meeting and testify on the future marijuana recreational retail rules the Council is working on.

I did however review the draft proposal put together by staff and was hoping to see a suggestion to repeal the ban on early rec sales.

I spoke briefly of this at the past City Council meeting. But didn't see any mention of this in the notes on the topic.

As you know I own Western Oregon Dispensary in Newberg. We turned in just under \$2800.00 in taxes to the City for 1st quarter sales from our dispensary. Projected tax revenue for the City if we had been able to participate in early rec sales could have been more than 4 times this figure. And the first quarter of the year is always the slowest.

Secondly, the reasons behind the ban originally, was because laws had not been drafted and there was concern over OLCC managing the business appropriately. It has now been over 6 months since early rec sales have started and business has been smooth and without concerns. OLCC is very involved in the business and no issues have arisen. Laws have been drafted, put into effect and being adhered to by dispensaries.

I urge Council to consider repealing the ban on early rec sales. The Oregonian recently reported tax revenue for the state on early rec sales of 3.47 million dollars in just the first month of the tax being in place. The original projection was 3 to 4 million for the entire YEAR. So you can see that the potential for tax revenue for the city is substantial. And currently all of those tax dollars are going to Dundee and King City.

I hope it's not too late to visit this suggestion. My dispensary turns away dozens of customers every day that we can not service. They are frustrated and tired of driving to another city to purchase cannabis. And they deserve to have a dispensary that can sell to the recreational customer in the city that they live in.

Respectfully,

Sheri Ralston
Western Oregon Dispensary
1013 N Springbrook Rd
Newberg Or 97132
P 503-780-4509

Testimony received on repeal of
Ordinance 2016-2802

City Council Meeting 5/2/16
Date: May 2, 2016 PAGE 37
Re: Repeal of ban
Topic: ORD 2802

Sue Ryan

From: Cindy Stroud
Sent: Friday, April 22, 2016 3:23 PM
To: Sue Ryan
Subject: Testimony on lifting ban

This is on my concern of Canna bros. selling recreational marijuana.

The parking lot here is already full to capacity with the over flow of happy family restaurant, Latino store, tattoo shop, hair salon, nail shop, Enterprise car rental and another shop with 5 extra cars for employees.

The medical marijuana shop is busy now, add the legal and its going to go crazy. If there was a emergency here there is only one way in no exit. Fire trucks and ambulances can't get in and out, no turn around. The parking lot is a mess here.

Thank you for your consideration,

Cindy Stroud

Owner of the French Twist

RECEIVED
APR 22 2016
BY: SR
City Recorder

REQUEST FOR COUNCIL ACTION

DATE ACTION REQUESTED: May 2, 2016

Order ___	Ordinance ___	Resolution <u>XX</u>	Motion ___	Information ___
No.	No.	No. 2016-3263 or 2016-3286		

SUBJECT: Amended Waste Water Resolution	Contact Person (Preparer) for this Motion: Matt Zook, Finance Director
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HEARING TYPE: ADMINISTRATIVE

RECOMMENDATION:

Adopt **Resolution No. 2016-3263** or **Resolution No. 2016-3284**.

EXECUTIVE SUMMARY:

On March 7, 2016, City Council held a public hearing on wastewater rates as recommended by the Citizens’ Rate Review Committee (CRRC). After reviewing these rates and receiving public testimony, the Council made a motion to refer the rates back to the CRRC to consider rate that would include the Inflow and Infiltration (I&I) projects that were not included in the original rate recommendation from CRRC.

The CRRC met on March 24 to receive information from staff on the new rates. A public hearing was conducted on April 7 before the CRRC. After the public hearing, the CRRC voted 3-1 to recommend the rates to the City Council as originally proposed rather than the revised rates.

The revised rates as requested by City Council were included in the Public Hearing Notice in the Newberg Graphic on April 20, 2016. In addition, the approved minutes from the March 24, 2016 CRRC meeting and the unapproved minutes from the April 7, 2016 CRRC meeting and public hearing are included with this staff report.

At the May 2 meeting, staff will present background information on the increased rates. In summary, however, there was \$900,000 in Inflow and Infiltration projects added to the rate model. Half of these I&I projects are SDC eligible, leaving \$450,000 to come from rates. In an effort to keep the rates impact low, \$100,000 was funded from reserves, and the remaining \$350,000 will be funded through the additional increase in rates.

After conducting a public hearing on the revised rates, the Council will have four options:

- 1) Adopt Resolution 2016-3263 with the lower rates as presented at the March 7, 2016 Council Public Hearing,
- 2) Adopt Resolution 2016-3284 with the higher rates as presented at the May 2, 2016 Council Public Hearing,
- 3) Adopt lower rates than those presented at the May 2, 2016 Council Public Hearing, or
- 4) Refer the rates back to the CRRC for reconsideration if the Council desires to increase rates higher than those presented at the May 2, 2016 Council Public Hearing.

FISCAL IMPACT:

The changes to the rates are anticipated to generate \$7 million in revenues in FY 2016-2017 and \$7.3 million in FY 2017-2018 in the Wastewater Fund. These amounts are sufficient to cover the cost of current operation and maintenance, provide for the necessary capital projects, and meet cash flow and debt covenant requirements in their respective funds.

STRATEGIC ASSESSMENT:

It is important and necessary to raise sufficient revenues in order to properly operate and maintain the City's water, wastewater, and stormwater systems.

Ms. Galardi presented the capital improvement costs and funding with the I & I projects included, revenue increases, and the rates and bills. The Council's charge was to add back in the I & I projects and she explained what those projects would be. These projects were also eligible for SDC funding and did not all have to be funded by the rates. There were also existing reserves that could be used. She developed the lowest rate increase that would fund the projects and came up with 4.2%. The 4.2% per year increase would fund the I & I projects and would potentially draw down reserves in the short term but with the higher than projected current revenue for the current year it could end up as good or better than what was projected. For an average residential wastewater customer bill, the increase would be 4.2% or \$2.65 in the first year and \$2.74 in the second year. For commercial and industrial customers it would increase 3% to 5% based on their class and amount of usage. It was an overall 4.2% system-wide revenue increase.

Mr. Morace thought the proposed rates that went to Council were too high already and he would like to keep them where they were.

Ms. Bradford said this was only an increase of .2% and she was in support.

Ms. van Grunsven agreed with Mr. Morace to leave the rates as they were recommended to Council.

Mayor Andrews said the charge from the Council had been to ^{consider to} reinstate the I & I projects to avoid kicking the can down the road as had been done in the past.

Chair Rogers said he was not qualified to say how one capital improvement project weighed against another. Staff had been hired to do that. He did not think it was in the Committee's purview to say do the I & I vs. Hess Creek or other projects. The Committee's deliberation weighed a lot of these considerations including kicking the can down the road. The Council felt strongly enough to go beyond the current recommendation and had staff do the work, but he would not feel right going forward with a proposal to increase the rates that came from a minority position on the Committee.

City Engineer Kaaren Hofmann said the one thing about the I & I projects was that they would help the City in the long term so the City would not have to do big trunk line projects. If the I & I projects were put off, the operations and maintenance costs would be more in the future.

Mayor Andrews asked what would happen if the Committee voted no on the increase, and the Council rejected it again. FD Zook said the Council met the Code by referring it back and could move forward with the rates they deemed were sufficient. If the recommendation from the Committee was different from the original recommendation, there would be a public hearing on April 7. If the recommendation stayed the same he would take it back to Council in April.

MOTION: Morace/van Grunsven moved to not raise the rates and keep them as originally recommended. Motion passed (3 Yes/ 1 No [Bradford]).

FD Zook said in Budget Law, a motion had to be passed by a majority of the committee, not a majority of a quorum. In this case that would mean four yes votes.

MOTION: Morace/van Grunsven moved to reconsider the previous motion vote. Motion carried (4 Yes/ 0 No).

MOTION: Morace/van Grunsven moved to keep the wastewater rates at 4% and not change what was originally proposed. Motion carried (4 Yes/ 0 No).

V. PUBLIC COMMENTS

None.

VI. COMMITTEE DISCUSSION

VII. NEXT STEPS IN PROCESS

FD Zook would research to see if a public hearing needed to be held since the recommendation was not changed.

VIII. ADJOURNMENT

The meeting adjourned at 7:20 PM.

Approved by the Citizen's Rate Review Committee on this 7th day of April, 2016.



Citizens' Rate Review Committee Recording Secretary



Citizens' Rate Review Committee Chair

**CITY OF NEWBERG
CITIZENS' RATE REVIEW COMMITTEE
THURSDAY, APRIL 7, 2016
6:30 PM MEETING**

PUBLIC SAFETY BUILDING TRAINING ROOM (401 EAST THIRD STREET)

I. CALL MEETING TO ORDER

The meeting was called to order at 6:30 PM.

II. ROLL CALL

Members Present: Rick Rogers, Chair Holly Bradford Sarah Grider
Bill Rourke, Secretary

Staff Present: Matt Zook, Finance Director
Kaaren Hofmann, City Engineer

Others Present: Deb Galardi, Galardi Consulting LLC

III. CONSENT CALENDAR

1. Approve minutes from the March 24, 2016 meeting

Finance Director Matt Zook said Mayor Andrews suggested a change to the minutes. On page 2, fifth paragraph from the top, it should say "Mayor Andrews said the charge from the Council had been to consider to reinstate the I & I projects."

MOTION: Grider/Bradford moved to approve the minutes from the March 24, 2016, meeting as amended. Motion carried (4 Yes/ 0 No).
--

IV. INTRODUCTIONS

V. PRESENTATION BY STAFF & CONSULTANT

Deb Galardi, Galardi Consulting LLC, said at the last meeting there was discussion regarding the Council's request that the Committee reconsider the wastewater rates to include funding the I & I projects that had been removed to lower the rate increases. The proposed increase would be going from 4% to 4.2%. Half of the I & I projects could be funded through SDCs, so only 50% needed to be funded by rates. Staying within a 4.2% increase would draw down reserves by \$100,000, but they would still end up by the end of the planning period at about \$1.8 million in reserves as current year revenues were coming in higher than projected.

VI. ADMINISTRATIVE PUBLIC HEARING

Chair Rogers opened the public hearing. He asked if the Committee had any abstentions or conflicts of interest. There were none.

There was no public testimony.

Chair Rogers closed the public hearing.

FD Zook said the recommendation staff presented met the charge of the Council and gave the Committee the opportunity to decide what rates to recommend to the City Council. The Committee's recommendation would go to Council on May 2.

VII. COMMITTEE DISCUSSION AND FINAL RECOMMENDATION

Mr. Rourke read the newspaper article and listened to the audio of the last CRRC meeting. He pointed out that it was the whole Council who voted to take the issue back to the CRRC.

Chair Rogers said the Committee voted at the last meeting to maintain the 4% wastewater rate and not increase it.

MOTION: Rourke/Bradford moved to increase the rate to 4.2%. Motion failed (1 Yes/3 No [Bradford, Grider, and Rogers]).

MOTION: Bradford/Grider moved to accept the 4.0% as originally proposed. Motion passed (3 Yes/1 No [Rourke]).

VIII. FINAL STEPS IN PROCESS

Chair Rogers said this recommendation would go to the City Council's May 2 meeting. FD Zook clarified the requirement for approval of a motion was the majority of those present, not the majority of the full committee.

IX. ADJOURNMENT

The meeting adjourned at 6:45 PM.

Approved by the Citizen's Rate Review Committee on this ?? day of April, 2016.

Citizens' Rate Review Committee Recording Secretary

Citizens' Rate Review Committee Chair



RESOLUTION NO. 2016-3263

**A RESOLUTION ADOPTING NEW MONTHLY WASTEWATER RATES FOR THE
CITY OF NEWBERG EFFECTIVE JANUARY 1, 2017 AND JANUARY 1, 2018**

RECITALS:

1. Newberg Municipal Code Chapter 13.10 governs the city of Newberg wastewater system and the adoption of the wastewater rates, fees and charges.
2. The Citizens' Rate Review Committee (CRRC) met November 19, 2015, and December 3, 2015, to review wastewater system rates and system attributes, including the Capital Improvement Program and the system operating and maintenance costs.
3. The review also included the modification of the wastewater rate structure by increasing the fixed cost charge portion for the service charges. That fixed portion allocation will change from the current 32% to an estimated 33% in the proposed rates.
4. The CRRC held a Town Hall meeting and Public Hearing on the proposed monthly charges on February 4, 2016, and approved their final rate change recommendations to City Council on February 18, 2016.
5. The CRRC recommends changes to the monthly wastewater charges based on their analysis of current and future anticipated wastewater fund needs.

THE CITY OF NEWBERG RESOLVES AS FOLLOWS:

1. Effective on the respective dates outlined in Exhibit A, the monthly wastewater service charges shall consist of charges as shown on the attached Exhibit A, which is hereby attached and by this reference incorporated.
 2. Rates for any other wastewater use, not explicitly provided for in this resolution, shall be established by the finance director to conform as close as practical to the charges established herein. Such charges shall be reviewed by the City Council.
- **EFFECTIVE DATE** of this resolution is the day after the adoption date, which is: May 3, 2016.

ADOPTED by the City Council of the City of Newberg, Oregon, this 2nd day of May, 2016.

Sue Ryan, City Recorder

ATTEST by the Mayor this 3rd day of May, 2016.

Bob Andrews, Mayor

EXHIBIT A

Council Adopted Rates			
Monthly Wastewater Rates			
	Current Through Dec 31, 2016	Effective Jan 1, 2017	Effective Jan 1, 2018
Customer Class			
Service Charge (\$/Month)	\$20.66	\$21.30	\$22.57
Multifamily Unit Charge	\$18.24	\$18.69	\$19.89
Volume Charge (\$/ccf)			
Single Family	\$8.19	\$8.58	\$8.86
Multifamily	\$8.19	\$8.58	\$8.86
Commercial - 1	\$8.19	\$8.58	\$8.86
Commercial - 2	\$10.02	\$10.52	\$10.86
Commercial - 3	\$16.37	\$17.23	\$17.78
Industrial	\$10.02	\$10.52	\$10.86
Outside City	\$8.19	\$8.58	\$8.86

	2017 % Incr	2018 % Incr	Avg Annual Increase
Service Charge (\$/Month)	3.10%	5.96%	4.62%
Multifamily Unit Charge	2.47%	6.42%	4.52%
Single Family	4.76%	3.26%	4.09%
Multifamily	4.76%	3.26%	4.09%
Commercial - 1	4.76%	3.26%	4.09%
Commercial - 2	4.99%	3.23%	4.19%
Commercial - 3	5.25%	3.19%	4.31%
Industrial	5.02%	3.20%	4.19%
Outside City	4.76%	3.26%	4.09%

Rates at or below 4.2% increase per year (not subject to referral process)			
Monthly Wastewater Rates			
	Current Through Dec 31, 2016	Effective Jan 1, 2017	Effective Jan 1, 2018*
Customer Class			
Service Charge (\$/Month)	\$20.66	\$21.30	\$22.19
Multifamily Unit Charge	\$18.24	\$18.69	\$19.47
Volume Charge (\$/ccf)			
Single Family	\$8.19	\$8.53	\$8.94
Multifamily	\$8.19	\$8.53	\$8.94
Commercial - 1	\$8.19	\$8.53	\$8.94
Commercial - 2	\$10.02	\$10.44	\$10.96
Commercial - 3	\$16.37	\$17.06	\$17.95
Industrial	\$10.02	\$10.44	\$10.97
Outside City	\$8.19	\$8.53	\$8.94

Portion of increase greater than cap (referrable)			
Monthly Wastewater Rates			
	Current Through Dec 31, 2016	Effective Jan 1, 2017	Effective Jan 1, 2018
Customer Class			
Service Charge (\$/Month)	\$20.66	\$0.00	\$0.38
Multifamily Unit Charge	\$18.24	\$0.00	\$0.42
Volume Charge (\$/ccf)			
Single Family	\$8.19	\$0.05	\$0.00
Multifamily	\$8.19	\$0.05	\$0.00
Commercial - 1	\$8.19	\$0.05	\$0.00
Commercial - 2	\$10.02	\$0.08	\$0.00
Commercial - 3	\$16.37	\$0.17	\$0.00
Industrial	\$10.02	\$0.08	\$0.00
Outside City	\$8.19	\$0.05	\$0.00

* The calculation of the "rates not subject to the referral process effective **January 1, 2018**" as shown above are based on a 4.2% increase above the January 1, 2017 rates in the "Council Approved Rates" columns above. This assumes that rates are not lowered through the referral process. If rates were lowered through the referral process, this could lower the "rates not subject to the referral process" for January 1, 2018, as these "year 2" rates would be based on 4.2% of the lower, *actual* referred rates from year 1. For example, if the rate effective January 1, 2017 (year 1) was \$8.94, of which \$8.53 was not eligible for referral, the assumed rate "not subject to the referral process for January 1, 2018" (year 2) will be calculated as a 4.2% increase on \$8.58, resulting in \$8.94 (as shown above), **unless** the year 1 rates were lowered through the referral process, which would produce a "year 1" rate of \$8.53, resulting in a \$8.89 amount "not eligible for referral" in year 2.



RESOLUTION No. 2016-3284

**A RESOLUTION ADOPTING NEW MONTHLY WASTEWATER RATES FOR THE
CITY OF NEWBERG EFFECTIVE JANUARY 1, 2017 AND JANUARY 1, 2018**

RECITALS:

1. Newberg Municipal Code Chapter 13.10 governs the city of Newberg wastewater system and the adoption of the wastewater rates, fees and charges.
2. The Citizens' Rate Review Committee (CRRC) met November 19, 2015, and December 3, 2015, to review wastewater system rates and system attributes, including the Capital Improvement Program and the system operating and maintenance costs.
3. The review also included the modification of the wastewater rate structure by increasing the fixed cost charge portion for the service charges. That fixed portion allocation will change from the current 32% to an estimated 33% in the proposed rates.
4. The CRRC held a Town Hall meeting and Public Hearing on the proposed monthly charges on February 4, 2016, and approved their final rate change recommendations to City Council on February 18, 2016.
5. On March 7, 2016, City Council held a public hearing on the CRRC recommended rates. The Council referred the wastewater rates back to the CRRC to consider the inclusion of additional Inflow and Infiltration projects that were not included in the original CRRC rate recommendation. The CRRC met on March 24, 2016 and held a public hearing on April 7, 2016. The CRRC was presented with the rates included in Exhibit A, but they voted 3-1 in favor of staying with their original wastewater rate recommendation.
6. The CRRC recommends changes to the monthly wastewater charges based on their analysis of current and future anticipated wastewater fund needs.

THE CITY OF NEWBERG RESOLVES AS FOLLOWS:

1. Effective on the respective dates outlined in Exhibit A, the monthly wastewater service charges shall consist of charges as shown on the attached Exhibit A, which is hereby attached and by this reference incorporated.
 2. Rates for any other wastewater use, not explicitly provided for in this resolution, shall be established by the finance director to conform as close as practical to the charges established herein. Such charges shall be reviewed by the City Council.
- **EFFECTIVE DATE** of this resolution is the day after the adoption date, which is: May 3, 2016.

ADOPTED by the City Council of the City of Newberg, Oregon, this 2nd day of May, 2016.

Sue Ryan, City Recorder

ATTEST by the Mayor this 3rd day of May, 2016.

Bob Andrews, Mayor

EXHIBIT A

Council Adopted Rates			
Monthly Wastewater Rates			
	Current Through Dec 31, 2016	Effective Jan 1, 2017	Effective Jan 1, 2018
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Service Charge (\$/Month)	\$20.66	\$21.30	\$22.57
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Commercial - 3	\$16.37	\$17.23	\$17.78
Industrial	\$10.02	\$10.52	\$10.86
Outside City	\$8.19	\$8.58	\$8.86

	2017 % Incr	2018 % Incr	Avg Annual Increase
	3.10%	5.96%	4.62%
	2.47%	6.42%	4.52%
	4.76%	3.26%	4.09%
	4.76%	3.26%	4.09%
	4.76%	3.26%	4.09%
	4.99%	3.23%	4.19%
	5.25%	3.19%	4.31%
	5.02%	3.20%	4.19%
	4.76%	3.26%	4.09%

Rates at or below 4.2% increase per year (not subject to referral process)			
Monthly Wastewater Rates			
	Current Through Dec 31, 2016	Effective Jan 1, 2017	Effective Jan 1, 2018*
	\$20.66	\$21.30	\$22.19
	\$18.24	\$18.69	\$19.47
	\$8.19	\$8.53	\$8.94
	\$8.19	\$8.53	\$8.94
	\$8.19	\$8.53	\$8.94
	\$10.02	\$10.44	\$10.96
	\$16.37	\$17.06	\$17.95
	\$10.02	\$10.44	\$10.97
	\$8.19	\$8.53	\$8.94

Portion of increase greater than cap (referrable)			
Monthly Wastewater Rates			
	Current Through Dec 31, 2016	Effective Jan 1, 2017	Effective Jan 1, 2018
	\$20.66	\$0.00	\$0.38
	\$18.24	\$0.00	\$0.42
	\$8.19	\$0.05	\$0.00
	\$8.19	\$0.05	\$0.00
	\$8.19	\$0.05	\$0.00
	\$10.02	\$0.08	\$0.00
	\$16.37	\$0.17	\$0.00
	\$10.02	\$0.08	\$0.00
	\$8.19	\$0.05	\$0.00

* The calculation of the "rates not subject to the referral process effective **January 1, 2018**" as shown above are based on a 4.2% increase above the January 1, 2017 rates in the "Council Approved Rates" columns above. This assumes that rates are not lowered through the referral process. If rates were lowered through the referral process, this could lower the "rates not subject to the referral process" for January 1, 2018, as these "year 2" rates would be based on 4.2% of the lower, *actual* referred rates from year 1. For example, if the rate effective January 1, 2017 (year 1) was \$8.94, of which \$8.53 was not eligible for referral, the assumed rate "not subject to the referral process for January 1, 2018" (year 2) will be calculated as a 4.2% increase on \$8.58, resulting in \$8.94 (as shown above), **unless** the year 1 rates were lowered through the referral process, which would produce a "year 1" rate based on the "year 1" rate of \$8.53, resulting in a \$8.89 amount "not eligible for referral" in year 2.

REQUEST FOR COUNCIL ACTION

DATE ACTION REQUESTED: May 2, 2016

Order ___	Ordinance ___	Resolution <u>XX</u>	Motion ___	Information ___
No.	No.	No. 2016-3286		

SUBJECT: Amended Water Resolution

Contact Person (Preparer) for this Motion: Matt Zook, Finance Director

RECOMMENDATION:

Adopt **Resolution No. 2016-3286**.

EXECUTIVE SUMMARY:

On March 7, 2016, the Council adopted Resolution 2016-3257, which adopted new monthly water rates for the City of Newberg effective January 1, 2017 and January 1, 2018. Subsequent to the adoption of this resolution, City staff re-evaluated its interpretation of the Newberg Municipal Code 2.15.200(M), which pertains to the special provision allowing increases above a certain percent per year in the rates and/or fees to be subject to the state referendum process. NMC 2.15.200(M) articulates that the threshold for rates not eligible for referral is the CPI for all urban consumers in the Portland-Salem, OR-WA metropolitan area, plus an additional 3%. This CPI value for 2015 is 1.2%, which means a 4.2% threshold for rate-setting purposes.

At the time of the adoption of Resolution 2016-3257, it was staff’s interpretation that the overall revenue increase in water rates of 3.5% over the next two years was the appropriate benchmark for determining whether or not a portion of the rates was eligible for the referral process. This benchmark is under the 4.2% threshold as described above. After reviewing the Newberg Municipal Code again, City staff determined that the most defensible interpretation of Section 2.15.200(M) is to apply the 4.2% threshold to each individual rate. As a result, some of the individual water rate increases were above the threshold. This triggered a requirement, also articulated in NMC 2.15.200(M), that the resolution approving the increase in rates and/or fees will designate which portion of an increase if any is subject to the referral process.

Resolution 2016-3286 hereby amends the previously-approved resolution by simply adding additional information to the resolution, which is reflected in Exhibit A. The amended resolution does not change any of the rates previously approved in Resolution 2016-3257.

Staff recognizes that this interpretation of NMC 2.15.200(M) creates some additional challenges. One such challenge is the risk of restricting the rate approval process from having the flexibility to shift the cost burden between fixed and variable charges in strategic manner to achieve targeted policy choices. This and other challenges will be presented to the Council in a future meeting to smooth the path for future rate-setting sessions.

FISCAL IMPACT:

There is no fiscal impact from the adoption of this resolution.



RESOLUTION No. 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

RECITALS:

1. Newberg Municipal Code Chapter 13.15 governs the city of Newberg water system and the adoption of city water rates, fees and charges.
2. The Citizens' Rate Review Committee (CRRC) met January 7, 2016, and January 21, 2016, to review water system rates and system attributes, including the Capital Improvement Program and the system operating and maintenance costs.
3. The review also included the modification of the water rate structure by increasing the fixed cost charge portion for the service charges. That fixed portion allocation will change from the current 22% to an estimated 27% under the proposed rates.
4. The CRRC held a Town Hall meeting and Public Hearing on the proposed monthly charges on February 4, 2016, and approved their final rate change recommendations to City Council on February 18, 2016.
5. The CRRC recommends changes to the monthly water charges based on their analysis of current and future anticipated water fund needs.
6. The City Council approved Resolution 2016-3257 on March 7, 2016. It was subsequently determined that the resolution did not designate which portion of the rate/fee increase to be subject to the referral process as set out in the Newberg Municipal Code 2.15.200.M. This amended resolution provides this information as part of Exhibit A.
7. The rates previously approved in Resolution 2016-3257 are not changed by this amendment.

THE CITY OF NEWBERG RESOLVES AS FOLLOWS:

1. Resolution No. 2016-3257 is amended as follows:
2. Effective on the respective dates as outlined in Exhibit A, the monthly water service rates shall consist of charges as shown on the attached Exhibit A, which is hereby attached and by this reference incorporated.
3. Rates for any other water use, not explicitly provided for in this resolution, shall be established by the finance director to conform as close as practical to the charges established herein. Such charges shall be reviewed by the City Council.

➤ **EFFECTIVE DATE** of this resolution is the day after the adoption date, which is: May 3, 2016.

ADOPTED by the City Council of the City of Newberg, Oregon, this 2nd day of May, 2016.

Sue Ryan, City Recorder

ATTEST by the Mayor this 3rd day of May, 2016.

Bob Andrews, Mayor

EXHIBIT A

Council Adopted Rates				
Monthly Water Rates				
Customer Class	Current Through Dec 31, 2016	Effective Jan 1, 2017	Effective Jan 1, 2018	Avg Annual Increase
Service Charge (\$/Month)	\$1.93	\$2.18	\$2.18	13.03% 0.00% 6.51%
Meter Charge (\$/Month)				
3/4"	\$11.78	\$12.48	\$12.95	4.97%
1"	\$20.03	\$21.22	\$22.02	4.97%
1-1/2"	\$38.87	\$41.18	\$42.74	4.98%
2"	\$62.43	\$66.14	\$68.64	4.97%
3"	\$117.80	\$124.80	\$129.50	4.97%
4"	\$196.73	\$208.42	\$216.27	4.97%
6"	\$392.27	\$415.58	\$431.24	4.97%
8"	\$627.87	\$665.18	\$690.24	4.97%
10"	\$981.27	\$1,039.58	\$1,078.74	4.97%
Nonpotable Meter Charge (\$/Month)				
4"	\$55.24	\$56.34	\$57.47	2.00%
8"	\$173.82	\$177.30	\$180.84	2.00%
Volume Charge (\$/ccf)				
Residential	\$3.85	\$3.86	\$4.00	1.99%
Multifamily	\$3.15	\$3.16	\$3.27	1.77%
Commercial	\$3.75	\$3.81	\$3.94	2.56%
Industrial	\$3.95	\$4.01	\$4.15	2.56%
Irrigation	\$6.69	\$6.96	\$7.20	3.79%
Outside City	\$5.78	\$5.79	\$6.01	1.99%
Public Agency	\$3.88	\$3.97	\$4.11	2.87%
Non-Potable	\$3.52	\$2.51	\$2.51	-28.62% 0.00% -14.31%

Rates at or below 4.2% increase per year (not subject to referral process)				
Monthly Water Rates				
Customer Class	Current Through Dec 31, 2016	Effective Jan 1, 2017	Effective Jan 1, 2018*	Avg Annual Increase
Service Charge (\$/Month)	\$1.93	\$2.01	\$2.27	6.51%
Meter Charge (\$/Month)				
3/4"	\$11.78	\$12.27	\$13.00	4.97%
1"	\$20.03	\$20.87	\$22.11	4.97%
1-1/2"	\$38.87	\$40.50	\$42.91	4.98%
2"	\$62.43	\$65.05	\$68.92	4.97%
3"	\$117.80	\$122.75	\$130.04	4.97%
4"	\$196.73	\$204.99	\$217.17	4.97%
6"	\$392.27	\$408.75	\$433.03	4.97%
8"	\$627.87	\$654.24	\$693.12	4.97%
10"	\$981.27	\$1,022.48	\$1,083.24	4.97%
Nonpotable Meter Charge (\$/Month)				
4"	\$55.24	\$56.34	\$58.71	2.02%
8"	\$173.82	\$177.30	\$184.74	2.02%
Volume Charge (\$/ccf)				
Residential	\$3.85	\$3.86	\$4.02	1.99%
Multifamily	\$3.15	\$3.16	\$3.29	1.77%
Commercial	\$3.75	\$3.81	\$3.97	2.56%
Industrial	\$3.95	\$4.01	\$4.18	2.56%
Irrigation	\$6.69	\$6.96	\$7.25	3.79%
Outside City	\$5.78	\$5.79	\$6.03	1.99%
Public Agency	\$3.88	\$3.97	\$4.14	2.87%
Non-Potable	\$3.52	\$2.51	\$2.62	-14.31%

Portion of increase greater than cap (referrable)				
Monthly Water Rates				
Customer Class	Current Through Dec 31, 2016	Effective Jan 1, 2017	Effective Jan 1, 2018	Avg Annual Increase
Service Charge (\$/Month)	\$1.93	\$0.17	\$0.00	6.51%
Meter Charge (\$/Month)				
3/4"	\$11.78	\$0.21	\$0.00	4.97%
1"	\$20.03	\$0.35	\$0.00	4.97%
1-1/2"	\$38.87	\$0.68	\$0.00	4.98%
2"	\$62.43	\$1.09	\$0.00	4.97%
3"	\$117.80	\$2.05	\$0.00	4.97%
4"	\$196.73	\$3.43	\$0.00	4.97%
6"	\$392.27	\$6.83	\$0.00	4.97%
8"	\$627.87	\$10.94	\$0.00	4.97%
10"	\$981.27	\$17.10	\$0.00	4.97%
Nonpotable Meter Charge (\$/Month)				
4"	\$55.24	\$0.00	\$0.00	2.02%
8"	\$173.82	\$0.00	\$0.00	2.02%
Volume Charge (\$/ccf)				
Residential	\$3.85	\$0.00	\$0.00	1.99%
Multifamily	\$3.15	\$0.00	\$0.00	1.77%
Commercial	\$3.75	\$0.00	\$0.00	2.56%
Industrial	\$3.95	\$0.00	\$0.00	2.56%
Irrigation	\$6.69	\$0.00	\$0.00	3.79%
Outside City	\$5.78	\$0.00	\$0.00	1.99%
Public Agency	\$3.88	\$0.00	\$0.00	2.87%
Non-Potable	\$3.52	\$0.00	\$0.00	-14.31%

* The calculation of the "rates not subject to the referral process effective **January 1, 2018**" as shown above are based on a 4.2% increase above the January 1, 2017 rates in the "Council Approved Rates" columns above. This assumes that rates are not lowered through the referral process. If rates were lowered through the referral process, this could lower the "rates not subject to the referral process" for January 1, 2018, as these "year 2" rates would be based on 4.2% of the lower, *actual* referred rates from year 1. For example, if the rate effective January 1, 2017 (year 1) was \$2.18, of which \$2.01 was not eligible for referral, the assumed rate "not subject to the referral process for January 1, 2018" (year 2) will be calculated as a 4.2% increase on \$2.18, resulting in \$2.27 (as shown above), **unless** the year 1 rates were lowered through the referral process, which would produce a "year 2" rate based on the "year 1" rate of \$2.01, resulting in a \$2.09 amount "not eligible for referral" in year 2.

REQUEST FOR COUNCIL ACTION

DATE ACTION REQUESTED: May 2, 2016

Order ___	Ordinance ___	Resolution <u>XX</u>	Motion ___	Information ___
No.	No.	No. 2016-3281		

SUBJECT: A resolution to authorize the City Manager Pro Tem to enter into a professional services agreement with Kittelson & Associates Inc. to provide engineering, financial, and community outreach services for the City’s Pavement System Management and Funding Master Plan Project in the amount of \$75,000.00.

**Contact Person (Preparer) for this Motion: Jay Harris, P.E., Public Works Director
Dept.: Public Works Department
File No.:**

RECOMMENDATION:

Adopt Resolution No. 2016-3281 authorizing the City Manager to enter into a Professional Services Agreement (PSA) with Kittelson & Associates Inc. to provide engineering, financial, and community outreach services for the City’s Pavement System Management and Funding Master Plan Project in the amount of \$75,000.00.

EXECUTIVE SUMMARY:

The citizens of Newberg rely and expect a safe dependable transportation network. The current system is getting older and more expensive to maintain, preserve and expand. The roads are showing significant signs of distress and transportation funding is not keeping up with the need. For example, the federal gas tax has not increased since 1993. Oregon approved the Jobs and Transportation Act in 2009 which increased the state gas tax; however, the additional revenue has not been adequate to cover the rising street maintenance costs locally or statewide. Cities all over the state are facing a funding gap of more than \$300 million for street maintenance and preservation per a survey conducted by the League of Oregon Cities in 2014. In order to close the funding gap, the City needs to evaluate other revenue options.

The local funding gap is supported by the July 8, 2014 Pavement Management System Implementation Report prepared by Pavement Services Inc., which estimated that the City of Newberg’s overall city-wide pavement condition index (PCI) was found to be a 73 out of 100, with a backlog of street repair projects of \$14.3 million dollars. Four budget scenarios were identified in the 2014 report:

- A. Eliminate the project backlog by spending \$2.8 million per year over a 7-year period.
- B. Maintain the current \$150,000 per year funding level. The project backlog is proposed to increase to \$21.0 million by 2022.
- C. Increase the annual funding to \$486,000. The project backlog will grow to \$17.9 million by 2022.
- D. Maintain the existing overall city-wide PCI of 73, which requires an annual budget of \$1.87 million.

At the September 21, 2015 City Council work session a report was provided that outlined the various pavement maintenance and rehabilitation projects and a review of the 2014 Pavement Management System Implementation Report. After discussion, direction was provided to prepare a report on funding options to maintain the existing city-wide PCI of 73 (shown as option D above).

At the January 19, 2016 City Council business meeting, the report on funding options was provided that identified various options to supplement the existing funding sources for pavement maintenance projects. After discussion, consensus was provided to move forward with the preparation of a pavement system maintenance and funding master plan, and to focus on a street utility and street lighting fee in the implementation of the first phase of funding.

The City posted the Pavement System Management and Funding Master Plan Project on the city website, solicited through a noticed public Request for Proposal process, and spoke to multiple consultants to provide information regarding the project. The City received three proposals from various engineering and financial consultants. Kittelson & Associates Inc. (Kittelson) was identified as the most qualified consultant with the knowledge, expertise and experience to complete the various phases of work for the proposed project by the City's selection committee. Staff entered into negotiations with Kittelson per ORS. 279C.110. The negotiated scope of work and cost breakdown for Council consideration is included as Attachment "A."

FISCAL IMPACT:

Kittelson and their consultant team will complete the pavement system maintenance and funding master plan for \$75,000.00, which has been appropriated in the 2015-2016 budget. The completion of the project is included in the proposed 2016-2017 budget.

STRATEGIC ASSESSMENT:

Council Goal 5 - Maintain and modernize the City's transportation and utilities infrastructure. Objective 5.2 – Create a stable road maintenance funding source by looking at alternative funding mechanisms. Objective 5.3 – Develop street maintenance plan and secure adequate and stable funding with citizen input and community outreach. Objective 5.9 – Consider the safety and accessibility of pedestrians and all roadway users in the improvement of transportation infrastructure.

The preparation of the pavement system maintenance and funding master plan and the subsequent City Council adoption of supplemental funding measures will provide the capital improvement project plan and the additional funding needed to properly maintain the roadways throughout the City. Regular planned maintenance to the street pavement systems will decrease the long term pavement and vehicle maintenance costs, and will increase the mobility, comfort, safety, and livability for everyone that works, lives, and visits the City of Newberg.



RESOLUTION No. 2016-3260

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.

RECITALS:

1. The citizens of Newberg rely and expect a safe dependable transportation network. The current system is getting older and more expensive to maintain, preserve and expand. The roads are showing significant signs of distress. Transportation funding is not keeping up with the need.
2. The July 8, 2014 Pavement Management System Implementation Report prepared by Pavement Services Inc., indicates that the City of Newberg's overall city-wide pavement condition index (PCI) was estimated to be 73 of 100 with a backlog of street repair projects of \$14.3 million dollars.
3. At the September 21, 2015 City Council work session direction was provided to prepare a funding options report to maintain the existing city-wide PCI of 73.
4. At the January 19, 2016 City Council business meeting, consensus was provided to move forward with the preparation of a pavement system maintenance and funding master plan, and to focus on a street utility and street lighting fee as the first phase of supplemental funding.
5. The City received three qualified proposals through the Request for Proposals process to prepare the pavement system maintenance and funding master plan. Kittelson & Associates Inc. was selected as the most qualified consultant per ORS. 279C.110.
6. Kittelson & Associates Inc. submitted a detailed proposal outlining the scope of work with a reasonable cost breakdown included in Attachment "A" and by this reference incorporated.
7. The preparation of the pavement system maintenance and funding master plan and the subsequent City Council adoption of supplemental funding measures will provide the capital improvement project plan and the additional funding needed to properly maintain the roadways throughout the City. Regular planned maintenance to the street pavement systems will decrease the long term pavement and vehicle maintenance costs, and will increase the mobility, comfort, safety, and livability for everyone that works, lives, and visits the City of Newberg.

THE CITY OF NEWBERG RESOLVES AS FOLLOWS:

1. The City Council, acting as Contract Review Board for the City, does hereby authorize the City Manager Pro Tem to enter into a Professional Services Agreement Amendment with Kittelson & Associates Inc. to complete the City's Pavement System Maintenance and Funding Master Plan

Project that includes engineering, financial, and public outreach services in the amount of \$75,000.00.

2. The City Manager is authorized to amend the Professional Services Agreement up to ten (10) percent of the amended contract amount.

➤ **EFFECTIVE DATE** of this resolution is the day after the adoption date, which is: May 3, 2016.

ADOPTED by the City Council of the City of Newberg, Oregon, this 2nd day of May, 2016.

Sue Ryan, City Recorder

ATTEST by the Mayor this 5th day of May, 2016.

Bob Andrews, Mayor

ATTACHMENT "A"

Scope of Services

Pavement System Maintenance & Funding Master Plan

April 15, 2016

PROJECT BACKGROUND

The City of Newberg, similar to other agencies in the region, has witnessed the maintenance costs rise with minimal increases to the available funding. This has reduced the amount of pavement maintenance being performed leading to deterioration of the streets.

The City has retained Kittelson & Associates to prepare and conduct a public outreach program leading to the identification and approval three deliverables: 1) Maintenance Plan for the rehabilitation of streets, 2) Priority policy, and 3) a funding plan.

PROJECT UNDERSTANDING

We are proposing to accomplish this in four phases:

Phase 1: Education – What money do we have available, what does that get us, and what does that mean for the condition of our roads (Pavement Condition Index)

Phase 2: Maintenance Plan – Once the community understands the shortfall and consequences of delay/deferred maintenance; we let them tell us what PCI is acceptable to them. If they are comfortable with gravel road conversions, we build a plan around that. If they want perfect roads, we can deliver that too. By having the community buy into the standard, we can better sell the funding alternatives.

Phase 3: Finding the Funding – Knowing the shortfall and the standard of care which the community can accept, funding options can be prepared to match. Again, the community will recommend what funding mechanisms they prefer that are equitable between homeowners, businesses, and institutions.

Phase 4: Policy – The final policy document and funding plan will be created to prioritize the improvements over the 10-year cycle and document the funding recommendations.

SPECIFIC SCOPE OF SERVICES

Summary of Work

Public Involvement, engineering reports and financial analysis for this project based on the scope of services described herein.

Task 1.0 Project Management and Project Coordination

Task 2.0 Community Involvement Plan

Task 3.0 Pavement Maintenance Plan

Task 4.0 Funding Master Plan

Task 5.0 Prioritization Policy

The duration of this phase of the project is assumed to be eight (8) months (May 2016 through December 2016)

Consultant RESPONSIBILITIES

Task 1.0 Project Management, Project Coordination, and Project Scheduling

1.1 Project Management

- Provide the management, coordination, and direction to the project team, City of Newberg, and sub-consultants to complete the project on time and on budget.
- Prepare monthly progress reports.
- Schedule project team meetings and prepare meeting agendas. Distribute Meeting Minutes.

1.2 Project Coordination

The proposed approach to project coordination during this phase is to hold project meetings with key project team members and representatives from the City of Newberg and others as needed. The Project Management Team (PMT) will direct all meetings and provide direction to the rest of the team as the project progresses. These meetings will have a specific agenda addressing and resolving project issues as they are encountered. It is assumed that 5 coordination meetings (1 hour each) will be held during this phase of the project (8-month time frame).

Task 1.0 Deliverables:

- Preparation, attendance, and participation in up to 5 meetings, 3 at KAI office, 2 at City
- Email Meeting Summaries (5 meetings)
- Monthly Invoices (8 month duration)

Task 2.0 Community Involvement Plan

2.1 Strategy Session

Consultant will prepare a draft Community Involvement Plan (CIP). Consultant will coordinate a Community Involvement Strategy session with the key stakeholders to layout and discuss the Draft CIP program and timeline. Consultant will prepare a final CIP following receipt of comments from the key stakeholders, advisory committee, and PMT.

2.2 Advisory Committee

Consultant will assist the City with the identification of potential community members to participate in the Advisory Committee. We assume that four (4) Advisory Committee meetings will be held, aligned with the phases of the project identified above.

2.3 Open Houses – two in-person events.

- The first open house would focus on education about existing conditions, current Newberg funding, the maintenance gap, what other communities do, etc.
- The second open house would seek feedback on alternatives for funding maintenance at different levels (based on public input regarding community expectations).
- Post Card invitation creation for City distribution.

2.4 Small Group Outreach

Consultant will attend up to 8 meetings with small groups including: the Downtown Association, Rotary, Chamber of Commerce, home owners associations, or university/school district.

2.5 Community Events

Consultant will provide part-time attendance at community events. Participation will be limited to the budget included with this task. Events include, but are not limited to:

- Old Fashion Festival, Tunes on Tuesday, Farmers Market

Task 2.0 Deliverables:

- *Draft Strategy/Community Involvement Plan (3 to 8 pages, Word and PDF)*
- *Final Strategy/Community Involvement Plan (3 to 8 pages, Word and PDF)*
- *Advisory Committee Meetings Agendas and Facilitation (up to 4 Advisory meeting) (City to document meetings)*
- *Open House Plans and Meeting Summaries (2)*
- *Online Survey Instrument and Summary (1)*
- *Small Group Outreach Meeting (up to 8 meetings, 1-hour in duration)*
- *PowerPoint Presentations, Boards & Print Ready Graphics (two PowerPoint Presentation up to 20 slides and up to 4 - 24"x36"boards)*

Task 3.0 Pavement Maintenance Plan

3.1 Pavement Condition Education

Consultant will prepare and conduct a pavement orientation class for up to 30 citizens. Consultant will prepare

up to 3 graphics and a simplified step-by-step guide for citizens to conduct their own Pavement inspection.

3.2 Maintenance Matrix

Consultant will prepare a matrix of pavement maintenance techniques, detailing the approximate cost per lane mile and the expected additional lifespan addition that the improvement will yield.

Task 3.0 Deliverables:

- *Pavement orientation class*
- *Graphic Handouts (up to 3 graphics and, 30 copies)*
- *Matrix of maintenance options*

Task 4.0 Funding Master Plan

4.1 Existing Funding Constraints

Building on our previous work for the City in developing a long-range financial plan for the transportation system and analyzing street lighting costs, Consultant will project system revenues from existing funding sources, and ongoing operation, maintenance, and capital (preservation and other project) expenses. This analysis will identify the constraints of existing funding sources.

4.2 Funding Shortfall

Determination of funding need is dependent in part on the community's willingness to pay for desired service levels. We will develop a financial model that integrates revenue from new street utility and lighting fees with existing and other potential future funding sources to meet desired street operation, maintenance and preservation service levels, and funding for other capital projects.

4.3 Funding Sources

The City's transportation system funding strategy includes development of designated fees to provide revenue for ongoing street lighting operations and maintenance, and street maintenance and preservation. We will refine the City's estimates from these sources in the context of the public discussion of desired service levels, and evaluation of other potential funding sources.

4.4 Preparation of Technical Memorandum 4A

Consultant will prepare a Draft Technical Memorandum #4A summarizing Tasks 4.1 through 4.3 for the PMT and Advisory Committee to review and comment. The City will provide a summary of non-conflicting comment on the draft memorandum to the Consultant. The Consultant will prepare a Final Memorandum incorporating the comments.

4.5 Fee Structure Development

Development of the fee structures and schedules will be based on a 3-step process that begins with

conceptual review and development of issues and alternatives, followed by the selection of approaches based on City-established evaluation criteria, and culminating in the actual development of fees based on the selected alternatives. The arithmetic involved in establishing street lighting and street utility fees is straightforward. That arithmetic, however, depends on numerous key assumptions that feed into the analysis. Decisions need to be made (and defended) regarding how these costs are equitably allocated to different land uses and customers. The analysis needs to be accurate, easy to understand, and defensible. As such, *critical elements of this task include:*

- Establishing the “nexus” or linkage between the services being funded by the new fees and the basis for the charge (e.g., how costs are assessed between different types and sizes of customers). Typical methods for street utility fees include average weekday trip generation, vehicle miles traveled, truck trips, and parking spaces. Street lighting fees may include consideration of light fixture types and building or lot size (dwelling units, street frontage, employees, impervious area, etc.)
- Customer classification and allocation – the basis for grouping customers for purposes of fee assessment, and whether fees within a class are uniform or vary based on one or more scaling measures (number of dwelling units, gross floor area, etc.) The potential equity achieved by more complex fee structures needs to be weighed against administrative requirements and data availability to support the assumptions and determination of customer class billing units for purposes of cost allocation.
- Calculation of fees -- the fee calculations will take into account the overall revenue targets established by the funding plan, and consider factors such as delinquencies, and annual administrative and overhead costs to ensure that net revenues meet established funding needs. Fees by customer type will reflect the selected rate structure, cost allocation, and estimated billing units by customer class.

Consultant will prepare a Draft Technical Memorandum #4B summarizing development of the fee structure for the PMT and Advisory Committee to review and comment. The City will provide a summary of non-conflicting comment on the draft memorandum to the Consultant. The Consultant will prepare a Final Memorandum incorporating the comments.

Task 4.0 Deliverables:

- *Draft Technical Memorandum 4A – Existing Funding Constraints, Shortfalls, and Sources(10 to 15 pages, Word and PDF)*
- *Final Technical Memorandum 4A – Existing Funding Constraints, Shortfalls, and Sources(10 to 15 pages, Word and PDF)*
- *Draft Technical Memorandum 4B – Fee Structure Development (15 to 25 pages, Word and PDF,)*
- *Final Technical Memorandum 4B – Fee Structure Development (15 to 25 pages, Word and PDF)*

Task 5.0 Priority Policy

5.1 Prioritization Policy

Consultant will prepare draft and final prioritization policy Memorandum #5A including a matrix of factors to consider when creating a yearly maintenance plan.

Task 5.0 Deliverables:

- *Draft Technical Memorandum 5A – Prioritization Policy (10 to 15 pages, Word and PDF, up to 15 hard copies)*
- *Final Technical Memorandum 5A – Prioritization Policy (10 to 15 pages, Word and PDF, up to 15 hard copies)*

Reimbursable Expenses:

The following reimbursable budget estimate is based on our experience with this project type and the governing agencies. It is an estimate only. Additional budget may be necessary to complete the project.

Customary reimbursable expenses mean the actual expense incurred in direct connection with the project. Vehicle mileage is reimbursed at the current IRS rate for project related travel.

The following project related expenses are reimbursed at cost:

- Copy and Reproduction Services
- Travel Expenses, other than private vehicle mileage
- Express Postage

ASSUMPTIONS

The Consultant has made the following assumptions related to this project.

1. The City has or will be able to obtain information on nonresidential customer types for purposes of determining trip generation. There may be data already from the wastewater customer classifications (which are based on business type for classification of wastewater strengths). However, some additional specificity may be needed for trip generation classification.
2. The City has or will be able to obtain information on nonresidential customer size (for potential assessment of both trip generation models for street utility fee and for other models for sidewalk fees. There may be data already from the storm water billing records (based on impervious area). However, building size or street frontage may also be of interest, depending on selected scaling measures.

CITY'S RESPONSIBILITIES

The City will:

1. Provide mailing lists
2. Provide meeting site and host community events
3. Make reproductions of electronically submitted memorandums

ATTACHMENT "A"

Fees and Payments

**Pavement System Maintenance &
Funding Master Plan**

Consultant proposes to perform the services outlined in Attachment "A" on a time and materials basis not to exceed **\$75,000** in accordance with the contract provisions and rate schedule set forth herein. The attached spreadsheet is a breakdown of the estimated hours and fees.

**Pavement Maintenance & Funding Master Plan
City of Newberg
Professional Services - Hourly Breakdown
April 15, 2016
Kittelson & Associates, Inc**

Task	Kittelson & Associates				GRG		EcoNW		JLA			GeoDesign				TOTALS
	Principal Engineer	Associate Engineer	Analyst	Associate Technician	Principal	Principal	Project Manager	Analyst	PI 6	PI 5	PI 2	Principal	Senior Associate	Technical Specialist I	CAD	
	MAB	AMR	KML	REB	DG	CS	NP	AD	KK	KS	JH	GPS	KDY	JGH	AKD	
Billing Rate	\$ 260.00	\$ 190.00	\$ 160.00	\$ 150.00	\$ 165.00	\$ 165.00	\$ 130.00	\$ 75.00	\$ 136.89	\$ 117.15	\$ 83.03	\$ 203.00	\$ 185.00	\$ 131.00	\$ 92.00	
Task 1.0 Project management, Project Coordination																
1.1 Project Management	2.00	8.00			2.00		2.00				7.00					
1.2 Project Coordination		12.00			6.00				8.00							
Total Hours	2.00	20.00	0.00	0.00	8.00	0.00	2.00	0.00	8.00	0.00	7.00	0.00	0.00	0.00	0.00	
Labor Cost	\$520.00	\$3,800.00	\$0.00	\$0.00	\$1,320.00	\$0.00	\$260.00	\$0.00	\$1,095.12	\$0.00	\$581.21	\$0.00	\$0.00	\$0.00	\$ 47.00	
Total Cost This Task	\$7,576.33															
Task 2.0 Community Involvement Plan																
2.1 Strategy Session		2.00							30.00		4.00					
2.2 Advisory Committee		12.00			8.00				32.00				3.00			
2.3 Open House		8.00		8.00	4.00				28.00	20.00	8.00					
2.4 Small Group Outreach		8.00							2.00							
2.5 Community Events		8.00		4.00					2.00							
Total Hours	0.00	38.00	0.00	12.00	12.00	0.00	0.00	0.00	94.00	20.00	12.00	0.00	3.00	0.00	0.00	
Labor Cost	\$ -	\$ 7,220.00	\$ -	\$ 1,800.00	\$ 1,980.00	\$ -	\$ -	\$ -	\$ 12,867.66	\$ 2,343.00	\$ 996.36	\$ -	\$ 555.00	\$ -	\$ -	
Total Cost This Task	\$27,762.02															
Task 3.0 Pavement Maintenance Plan																
3.1 Pavement Condition Education												2.00	16.00	4.00		
3.2 Maintenance Matrix												2.00	20.00		8.00	
Total Hours	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.00	36.00	4.00	8.00	
Labor Cost	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$ 812.00	\$6,660.00	\$524.00	\$ 736.00	
Total Cost This Task	\$8,732.00															
Task 4.0 Funding Masterplan																
4.1 Existing Funding Constraints					3.00		3.00	8.00						3.00		
4.2 Funding Shortfall					3.00	8.00	3.00	8.00						2.00		
4.3 Funding Sources					4.00		4.00	4.00						2.00		
4.4 Technical Memo 4A					2.00											
4.5 Fee Structure Development	2.00		12.00		36.00		36.00	48.00								
Total Hours	2.00	0.00	12.00	0.00	48.00	8.00	46.00	68.00	0.00	0.00	0.00	0.00	7.00	0.00	0.00	
Labor Cost	\$520.00	\$0.00	\$1,920.00	\$0.00	\$7,920.00	\$1,320.00	\$5,980.00	\$5,100.00	\$0.00	\$0.00	\$0.00	\$ -	\$1,295.00	\$0.00	\$ -	
Total Cost This Task	\$24,055.00															
Task 5.0 Priority Policy																
5.1 Prioritization Policy	4.00	16.00	12.00													
Total Hours	4.00	16.00	12.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Labor Cost	\$1,040.00	\$3,040.00	\$1,920.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$ -	\$0.00	\$0.00	\$ -	
PROJECT SUMMARY	\$6,000.00															
Total Project Hours	8.00	74.00	24.00	12.00	68.00	8.00	48.00	68.00	102.00	20.00	19.00	4.00	46.00	4.00	8.00	
Total Salary Cost	\$2,080.00	\$14,060.00	\$3,840.00	\$1,800.00	\$11,220.00	\$1,320.00	\$6,240.00	\$5,100.00	\$13,962.78	\$2,343.00	\$1,577.57	\$812.00	\$8,510.00	\$524.00	\$783.00	
Reimbursables															\$874.65	
Total Fee	\$2,080.00	\$14,060.00	\$3,840.00	\$1,800.00	\$11,220.00	\$1,320.00	\$6,240.00	\$5,100.00	\$13,962.78	\$2,343.00	\$1,577.57	\$812.00	\$8,510.00	\$524.00	\$736.00	
PROJECT TOTAL	\$75,000.00															