

NEWBERG CITY COUNCIL MINUTES
REGULAR SESSION
June 6, 2016, 7:00 PM
PUBLIC SAFETY BUILDING (401 E. THIRD STREET)

A work session was held at 6:00 p.m. preceding the meeting. Present were Mayor Bob Andrews, Councilors Lesley Woodruff, Mike Corey, Patrick Johnson and Stephen McKinney. Also present were City Manager Pro Tem Stephen Rhodes, City Attorney Truman Stone, City Recorder Sue Ryan and Municipal Judge Larry Blake Jr.

After calling the meeting to order, the Mayor and Council entered into Executive Session pursuant to ORS 192.660 (2) i Performance Evaluations of Public Officers. Staff present included Larry Blake Jr, Municipal Judge. They exited Executive Session at 6:45 p.m.

CALL MEETING TO ORDER

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

ROLL CALL

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

Staff Present:	Stephen Rhodes, City Manager Pro Tem	Sue Ryan, City Recorder
	Truman Stone, City Attorney	Matt Zook, Finance Director
	Doug Rux, Community Development Director	Korie Buerkle, Assistant Library Director
	Dave Brooks, Information Technology Director	Joe Hannan, City Manager
	Jay Harris, Public Works Director	Kaaren Hofmann, City Engineer
	Russ Thomas, Public Works Maintenance Supervisor	
	Jeanne Schuback, City Prosecutor	

PLEDGE OF ALLEGIANCE: The Pledge of Allegiance was performed.

PRESENTATIONS: Municipal Judge Larry Blake Jr. swore in Joe Hannan as the City Manager for Newberg, who took his Oath of Office.

Mayor Andrews presented a certificate of appreciation to student commissioner Luis Saavedra for serving on the Planning Commission for two years. He was graduating this year from Newberg High School.

CITY MANAGER’S REPORT: City Manager Joe Hannan thanked the Mayor and Council for selecting him to be the new City Manager. He introduced his wife, Shelly. He planned to meet with each Councilor individually as well as department heads.

PUBLIC COMMENTS: None.

CONSENT CALENDAR:

Mayor Andrews said Resolution 2016-3294 had been revised. The increase in compensation was added to the “be it resolved” section. Councilor Johnson said he made no determinations at the Oregon Lottery about who became an Oregon Lottery retailer and it was fine for him to vote on OLCC matters.

MOTION: Woodruff/Essin moved to approve minutes from May 2, 2016; approved Resolution 2016-3294 as amended, a Resolution approving the annual evaluation of the City Attorney, approving a salary increase for the City Attorney and authorizing changes to the City Attorney’s employment contract; approval of an off-premises sales/change of ownership dba Mini Market El Tala; approval of an OLCC Winery dba as Audbumla Beverage Company; approved Resolution 2016-3309, A Resolution supporting an application to the Transportation and Growth Management program for a grant to update the Newberg Riverfront Master Plan and approved the Chehalem Valley Chamber of Commerce quarterly report. Motion carried (6 Yes/ 0 No/1 Absent [Bacon]).

PUBLIC HEARING - ADMINISTRATIVE: Resolutions 2016-3295 and 2016-3296

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

Finance Director Zook said this was a requirement for participation in the liquor revenues shared by the state. There was a public hearing held at the Budget Committee for the possible uses of state revenue sharing, and this was the second public hearing. The first resolution stated the City's intent to participate in the program and the second resolution was a requirement for counties with more than 100,000 in population to declare what services the City offered. The City would receive about \$600,000 in the General Fund and \$1.3 million in the Street Fund. He recommended approval of the resolutions.

Proponents: None

Opponents: None

Mayor Andrews closed the hearing.

MOTION: Corey/Woodruff moved to approve Resolution 2016-3295, A Resolution declaring the City of Newberg's election to receive revenues through the State Revenue Sharing program. Motion carried (6 Yes/0 No/1 Absent [Bacon]).

MOTION: Corey/Woodruff moved to approve Resolution 2016-3296, A Resolution certifying the provision of Municipal Services by the City of Newberg for the purposes of participation in the State Revenue Sharing program.. Motion carried (6 Yes/0 No/1 Absent [Bacon]).

Resolution 2016-3297:

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

FD Zook said the 2016/17 budget equaled \$86 million with 142 FTE. The property tax remained the same at 4.3827 per 1,000 and there would be no levy for general obligation bonds. This was a balanced budget.

Councilor Essin said his understanding was the budget was proposing five new positions at a cost of \$700,000. FD Zook said the budget did include the new positions, which was approved by the Budget Committee.

Councilor Corey asked for clarification on the beginning balance for the General Fund as well as contingency and reserves. FD Zook said there was a healthy beginning fund balance made up of surplus at the close of the 2015/16 Fiscal Year. It was spent down to an approximate ending fund balance of \$2.2 million. The City was maintaining the same amount of reserves and would be building the five-year financial plan over the next six months.

Councilor McKinney asked if the present budget was the basis for that five year projection. CMPT Rhodes said that was correct. Councilor Essin said on the \$2.2 million, \$1 million was going to contingency. Were those funds designated to be spent already? CMPT Rhodes said no, the contingency was for emergencies and was not designated for any spending purpose.

Councilor Johnson said contingency was expected to grow even with the new positions. CMPT Rhodes said that was correct. Councilor Johnson asked if they were expecting revenues to support the new positions. If they were to hold back some positions to mid fiscal year, how difficult would that be? CMPT Rhodes said based on the projections, staff was comfortable that the revenues would keep pace with expenditures. The Council would begin to talk about the goals and policies of the five year plan in August. If the Council wanted to hold back some positions, staff would ask that they not do that tonight, but indicate what Council wanted and continue the hearing to the next meeting. This would give staff the time to prepare an amended resolution for June 20. Councilor Essin asked if the new City Manager wanted to go in another direction, such as the new positions, would he be able to with the proposed budget?

CM Hannan did not see anything in the budget that there was a need to change. If the Council wanted to hold off on some positions, they could do so. The budget was sustainable. Any changes to the budget would come through Council as a budget adjustment.

Public Testimony: Kimberly Zoutenidijk, Newberg Old-Fashioned Festival Chair, said the Festival was grateful for the partnership the committee received throughout the 35 years of the festival. This was an important event in the community. Last year when the funding was cut from the City, it put a huge strain on the festival but they were able to pull it off with the assistance of some business members. She was requesting the funds be reinstated. She asked for the same amount from 2014, which was \$8,000. Due to illness and an injury, she had not been able to present this request to the Budget Committee.

Mayor Andrews closed the hearing.

Deliberations: Councilor McKinney thanked CMPT Rhodes and FD Zook for their work on the budget. He thought the five new staff positions were sustainable. The ending fund balance, contingency fund balance, and additional growth in reserves were covered in the budget.

Councilor Johnson said the Budget Committee did not have a unanimous vote to approve the budget and he thought those concerns about the new positions should be brought up. His only question that remained was whether or not to add the Newberg Old Fashioned Festival request. Councilor Woodruff agreed there was a need for the new positions and would like to find a way to help support the festival.

Councilor McKinney was not opposed to giving funds to the Old Fashioned Festival but appreciated the energy the volunteers put into fundraising and getting money from the business community. Mayor Andrews said it could be considered as part of the TLT program, which had not yet been determined. He was in favor of the budget as it was presented. As things occurred throughout the year there could be supplemental budgets to accommodate changes in revenues and expenditures.

City Attorney Stone said the TLT tourism portion was constrained by State law to be spent on tourism promotion or tourism related facilities. He thought tourism promotion could encompass the festival. It would have to go to a specific use, not just a general donation. Councilor McKinney thought the funding for the festival could be dealt with at a different time. Councilor Johnson agreed, but wanted to make sure it was not forgotten. Councilor Woodruff asked if the City had the money in the TLT fund. FD Zook said there was a healthy amount in TLT that was designated for tourism promotion. The budget would not need to be amended to pay for the contribution to NOFF.

MOTION: Johnson/McKinney moved to approve Resolution 2016-3297, A Resolution adopting the City of Newberg, Oregon budget for the 2016-2017 fiscal year, making appropriations, imposing the tax and categorizing the tax. Motion carried (6 Yes/0 No/1 Absent [Bacon]).

CONTINUED BUSINESS: Ordinance 2016-2801

Mayor Andrews said the public comment portion of the hearing had been closed, but there was someone who wished to present oral testimony.

Councilor Corey said the public comment period was closed because they had the first reading and discussion.

MOTION: Corey/McKinney moved to not reopen public testimony on the ordinance. Motion failed (2 Yes/4 No [Andrews, Essin, Johnson, Woodruff/1 Absent [Bacon]).

Mayor Andrews reopened the public hearing.

Staff report: Community Development Director Doug Rux said on May 16 the Council held a public hearing in regard to recreational marijuana wholesalers, research certificates, laboratories, and retailers. There was a recommendation for where these uses would be permitted and where they would be prohibited, which was included in the exhibit in the ordinance. Nothing had changed since May 16, except for one error on the effective date, which should be June 7. At the

May meeting, there were discussions regarding a petition submitted by downtown businesses regarding parking, separation requirements and buffers, and medical dispensaries converting to retailers.

Councilor Johnson said he had been asked if the areas inside roundabouts were considered parks. CDD Rux said the roundabouts were not considered a park. A roundabout was a traffic control device. Councilor Johnson clarified it was not a park even if there was public art. CDD Rux said the public art did not qualify it as a park.

Public Testimony: Athlynn Reeves thought there should be a vote in November to see if Newberg citizens wanted recreational marijuana in Newberg. She thought there were increases in car fatalities and crime since recreational marijuana was legalized. She was concerned about safety and desirability to live in the community. She was opposed to the ordinance and thought they should know what citizens wanted before approving it.

Mayor Andrews closed the hearing.

Councilor Essin said there was a State-wide election where recreational marijuana was legalized. He did not want people commuting to other cities to pick up marijuana or buy it on the black market. If they were going to buy it, he would rather they bought it in Newberg. Councilor Johnson said this was a land use decision about where these facilities could go. He was concerned if they did not pass the changes to the Code, these facilities could go in areas of the City they did not want them to go. He was in favor of putting a measure on the ballot regarding recreational marijuana, but that was a discussion for another time.

MOTION: Essin/Corey moved to adopt Ordinance 2016-2801, An Ordinance amending the Newberg Development Code regarding Recreational Marijuana wholesalers, laboratories, research certificates producers and retailers; and declaring an emergency. Motion carried (6 Yes/0 No/1 Absent [Bacon]).

NEW BUSINESS: Resolution 2016-3302:

CA Stone said in the process of working through the Tualatin Valley Fire and Rescue consolidation, the question was presented to him about the ability to use EMS fund dollars to pay for the TVF&R services. He looked at the resolution that set up the EMS fund and he concluded the answer was no due to the constraints in the resolution. He drafted a new resolution that would broaden the uses of the fund to include the TVF&R services and authorize some of the money to be used for an internal transfer to cover administrative overhead.

There was discussion on the use of the fund.

CMPT Rhodes clarified it was the equipment fund rather than the subscription ambulance funds. CA Stone said the City was making an annual payment to the district for ambulance and fire services and that it was not separated out. It was covered under the budget document and this resolution made it clear that those funds could be paid to an outside party.

Mayor Andrews asked what would happen if in two years there was no annexation. CMPT Rhodes explained they would start the subscription service back up and bring the revenues back into the City.

MOTION: Essin/Corey moved to approve Resolution 2016-3302, A Resolution authorizing the use of the Emergency Medical Services Fund to pay for costs related to the City's contract with Tualatin Valley Fire & Rescue. Motion carried (6 Yes/0 No/1 Absent [Bacon]).

COUNCIL BUSINESS: Discussion on Council Compensation.

Councilor Essin said after looking at what other neighboring cities did, it appeared Council compensation was up to the individual cities. He explained what expenditures were covered and how much other cities compensated their councils. He thought they should receive some compensation to show the value of the Council's time and energy.

Councilor Johnson thought this was a political decision. This was a voluntary job and they should not be motivated by compensation. Councilor Essin thought they were City employees. When asking volunteers to provide phones and computers and requiring them to attend all meetings, there needed to be some compensation. It was a fairness issue.

Mayor Andrews clarified the City Council were not City employees. He said the IRS made a ruling that per-diem taxes must be reported as a wage and a W-2 must be filed. They did receive a stipend for compensation for serving the City. He said it was reviewed in 2008 when they increased the amount from \$8 to \$10 per meeting.

CM Hannan said gathering information was appropriate for staff to do, but making a recommendation was something that was a political issue. He explained ways other cities had addressed the issue including taking it to a citizen or committee level. Ultimately it was a Council decision. Councilor Essin said he had wanted to look at other cities and discuss what a fair compensation would be. It should not cost the Council to serve. Councilor Corey said every city was doing it differently. He suggested Councilor Essin come up with a suggestion and the Council could vote on it.

Councilor McKinney thought the City Attorney could write up a description of what the Council was and how they were currently compensated to help with the discussion. Councilor Essin would write up a proposal to forward to the Council.

CA Stone would be on vacation the week of June 13.

Mayor Andrews asked how the Council wanted to respond to the Newberg Old-Fashioned Festival funding request. Councilor Woodruff said since there was money available in the TLT, she was in favor of giving them \$8,000 from the TLT. Councilor Johnson agreed with Councilor Woodruff.

Councilor McKinney asked if the festival was discussed in the creation of the budget. CMPT Rhodes said it was not because the City did not receive a request for funding. Councilor McKinney thought the festival could do it on their own without funding. He was inclined to keep it as community funding instead of obligating the City.

Councilor Corey thought it should be funded by the TLT, not the General Fund. The community would support the event, and thought the City could contribute \$4,000. Councilor Essin thought a committee could be set up to help raise funds. Councilor Corey said there was a festival committee that raised funds for the event.

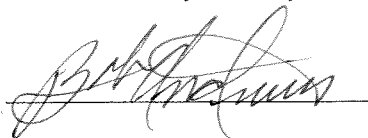
Councilor Woodruff was interested to know how many visitors come to town for that weekend. Mayor Andrews thought it should come out of TLT, not the General Fund. He asked for staff to come back with a mechanism to use the TLT to respond to this request. Councilor Johnson thought there needed to be a process for evaluating these types of requests.

CMPT Rhodes said at the next Council Work Session they would be discussing the TLT plan and strategy.

ADJOURNMENT: The meeting was adjourned at 9:30 p.m.

ADOPTED by the Newberg City Council this 5th day of July, 2016.

ATTESTED by the Mayor this 7th day of July, 2016.

 Bob Andrews, Mayor


Sue Ryan, City Recorder