

# **Newberg Pavement Maintenance and Funding Master Plan**

## **Ad-Hoc Advisory Committee Meeting #6**

**Thursday, March 2, 2017 4:30 – 6:00**

Permit Center – Large Conference Room, City Hall

## **DRAFT Meeting Summary**

### **Committee Members Present:**

Bob Andrews, Mayor  
E.C. Bell, Chehalem Valley Presbyterian Church  
Fred Gregory, GFU  
Dave Hampton, Friendsview Retirement Comm.  
Patrick Johnson, Council  
Greg McKinley, A-DEC  
Dave Parker, Newberg School District  
Jack Reardon, Citizen  
Matt Zook, City of Newberg Finance

### **Committee Members not Present:**

Carr Biggerstaff, Chehalem Valley Chamber  
Don Clements, CPRD  
Maureen Rogers, Chapters  
Bill Rourke, Citizen

### **Public Present:**

Stephen McKinney, City Council  
Mark Grier

### **Staff and Consultant Team Present:**

Joe Hannan, City of Newberg  
Jay Harris, City of Newberg  
Kristen Kibler, JLA  
Tony Roos, Kittelson

### **Introductions/Meeting Purpose/Public Comments**

The purpose of the meeting was to continue discussion from the February meeting on fee caps, combining like uses (for school district, CPRD, etc), and the effect of these reductions on target revenue. The ad-hoc committee feedback would be incorporated into the third Council reading of the ordinance in April.

The group reviewed the direction of the ordinance from their last meeting.

- Funding split – confirmed 35% residential, 65% non-residential
- Variable by class was confirmed as the rate model
- Heavy vehicle clause would not be included in fee ordinance, but recommended to Council/staff for future action
- Prioritization clause would be included to assure that “no less than 30% of funding” would be allocated to poor condition roads. Mayor Andrews stressed the importance of this wording to make sure that at least 30% was always spent on poorest condition roads. More could be spent, but “no less than 30%” of the annual funding.

- Fee waivers were appropriate for low income residents, vacancies, unemployment, and residences with no vehicles.

The group would focus on the remaining topics: Fee caps, combining like uses for non-profit parcels, and target revenue (the number that was initially used to calculate fees)

There were no public comments at this time.

### **Review of Draft Ordinance with Committee Discussion on specific issues for council (continued from last meeting with updated information)**

This discussion was a continuation from the previous meeting with additional information on the impact specifically of fee caps.

**Fee Caps**— The group had general discussion on fee caps, public perception, and impact of fee caps. They looked at different methods for applying discount caps, specifically caps at \$500, 600, or \$1000 with an additional percentage added in based on the square footage. This was suggested at the last meeting to address businesses in the same classes that fell just below a flat cap and those that benefit greatly with a flat cap, i.e. there should be some noticeable fee difference between businesses in the same class that would pay \$575 vs a business paying a reduced cap of \$600 (from a much higher uncapped fee). They looked up several businesses and compared monthly fees using the table Tony Roos had updated with the discount cap methodology. The following highlights discussion items on fee caps.

- Why would we reduce the revenue by offering caps? If the goal is to address road conditions, caps would reduce the ability to raise revenue.
- Why would we offer caps? There is a desire to be friendly to business and businesses may need to pass along fees to customers, many of which are likely Newberg residents. There are about a dozen businesses that pay quite large monthly fees.
- Will the residents end up paying for the cost of any fees? If there is a cap on some parcels, and the revenue target is increased to make up for the loss of capped fees, the fees would get redistributed for everyone and increase slightly for those not capped. If the revenue target remains the same, there is a revenue loss from the cap.
- Why would some businesses get a break from paying the fee while others do not? The group was concerned about some parcels seeing a large benefit from the cap while others hovered just below the cap limit and saw no reduction of fees. They also discussed businesses that had multiple parcels that may have a combined fee not eligible for a cap.
- Do other cities have caps? Tualatin does not. They started their fee earlier so it is lower and their road never fell into the same condition. Tigard bases fees on parking stalls. This is probably more difficult to administer.

The group discussed the caps throughout the meeting. In the end, they recommended that there be no caps offered. They understood this would be unfavorable to a few businesses, but there was a common

sense that there was no fair way to apply caps that didn't reduce the revenue available for roads or create an increase for others paying their full fees.

**Combining non-profits**—The group discussed whether to combine properties for the school district and parks district. Other consolidation of city buildings would not see any fee reduction, even if caps were in place. Tony Roos had done some additional research on parks trips; there would now be just a negligible difference in the total fee paid by the Chehalem Parks and Recreation District, even if caps were in place. The group agreed that the only non-profit needing some special consideration in how it is grouped is the school district. The group agreed that only the Newberg School District would be combined. The group did not believe any other non-profits or for-profits should be considered for combining parcels when billing. This would be more complicated to administer. Since it was unique, the Newberg School District would be in its own section of the ordinance. It would need to be consolidated for billing purposes, so would need separate language.

**Target Revenue**—The group knew that caps and waivers would mean reduced revenue. They want to see a fund that is able to accomplish pavement maintenance. They looked at the impact on fees for all the classes if caps were in place. Many felt strongly that the monthly rates should not get higher by increasing the target to capture loss in revenue. Many felt that the residential rates should not go above \$5/month on municipal services bills. This was another factor in not recommending caps. They recommended the target revenue remain at \$1.2M knowing the waivers would still reduce the actual revenue. They also recognized that over time, new businesses and residents would add to the revenue.

#### **Summary of Recommendations from this meeting:**

- Keep the target revenue at \$1.2M to avoid increasing rates for those not receiving waivers
- Do not offer caps to be fair among the different non-residential properties
- Combine school district properties in its own section of the ordinance, since it will be calculated differently with combined parcels of high, middle, and elementary schools.

#### **Next steps**

Staff will make adjustments in the draft ordinance prior to the next council reading scheduled in April. Ad-hoc committee members are encouraged to attend and testify. If approved, the transportation utility fee could take effect as early as July 1. There will need to be information about the fee amounts for all users and the pavement maintenance.

#### **Meeting Adjourned**