

**City of Newberg
City Council Minutes
June 5, 2023
Hybrid meeting format**

BUSINESS SESSION – Meeting called to order at 6:00 p.m.

Councilors Present: Mayor Bill Rosacker, Councilors Elise Yarnell Hollamon, Mike McBride, Molly Olson, Robyn Wheatley, Derek Carmon, and Peggy Kilburg.

Staff Present: City Manager Will Worthey, City Attorney James Walker, City Recorder Sue Ryan, Police Chief Jeff Kosmicki, Finance Director Kady Strode, Community Development Director Doug Rux, Library Director Korie Buerkle, Public Works Director Russ Thomas, Planning Director Clay Downing, Engineer Brett Musick, IT Director Ian Rodriguez.

EXECUTIVE SESSION

Pursuant to ORS 192.660(2)(F) to consider information or records that are exempt by law from public inspection.

CITY MANAGER'S REPORT

CM narrative May 2023.pptx

CM Worthey reported on the May 2023 monthly statistics. There was discussion on road improvement projects including the work on North College Street, which has been delayed until 2024 by the Oregon Department of Transportation (ODOT), and the poor condition of River Street following temporary repairs. The Capital Improvement Program (CIP) included plans to repave River Street and other streets pending funding.

PUBLIC COMMENTS

Colum Riley, Board Member, Parents and Friends of Lesbians and Gays (PFLAG) Newberg, stated in 1999, Federal Courts recognized June as Pride Month. He was proud of organizations, including the City of Newberg, who have recognized Pride Month and brought awareness to populations that have been marginalized and discriminated against. He gave a shout out to Tualatin Valley Fire and Rescue (TVF&R) for their support of Pride Month. He stated it was discouraging to live in places full of hate and deal with comments based on ignorance, and that a lot had changed in the past few years. He claimed many people coming out from Covid came out transsexual or racist. He encouraged embracing differences and getting along, which had been difficult during isolation. He felt the Newberg community had stepped forward in reopening dialogues, realizing common goals, volunteering together, working for the homeless, hungry, and children in need of resources. He believed PFLAG was a resource in the community and had nothing to do with sexual orientation. He would not have joined PFLAG 24 months ago, but as a white, straight male he had not been personally persecuted and felt others should not have to live in fear and should be recognized and heard. He expressed his pride in the community for embracing June as pride month.

Julian Dillon, Board Member, PFLAG, stated June was Pride Month, and PFLAG was a national organization founded by a mother of a teenager who came out as gay and she started PFLAG as a means of support. PFLAG Newberg has existed for four years and provided a forum for parents and other family members of LGBT persons to ask questions, receive support, understand LGBT terminology, and connect with other families on the same journey. PFLAG existed to help the community and assist people looking for information or a safe place to talk. In April, prior to the School Board election, PFLAG held their first VOX (Voicing Our Experience) at the Chehalem Community Center. Candidates were not asked to speak, and instead candidates listed as members of the LGBT community or those impacted shared concerns and experiences with no debates, resolutions, or advocacy other than the reminder to check out candidates before voting. The occasion was happy, informative, and profound, and the five School Board candidates in attendance won their seats. When founded four years ago, PFLAG gave one \$500 scholarship to a student from Yamhill County who was going to college. This year PFLAG would award eight \$1000 scholarships to students from Yamhill County bound for college or trade school with winners selected based on an essay. He hoped PFLAG would increase the number and amounts of scholarships in the future. The PFLAG annual Pride Month event included a car parade and would be hosted outside of the Chehalem Cultural Center on June 21st to provide free family-friendly activities and more information about PFLAG Newberg. He encouraged attendance and adding the event to the community calendar.

CONSENT CALENDAR

Fiscal Year 2021/2022 Affordable Housing Trust Fund Time Sensitive Grant Award – Habitat for Humanity Project Final Report

RCA Habitat Close out Report.pdf

Attachment 1 - Executed Habitat Time Sensitive Grant Contract.pdf

Attachment 2 - Reports Package Habitat.pdf

Mayor Rosacker noted this item would approve the return of unused funds.

Action: To approve the Consent Calendar

Motion: Councilor Olson

Second: Councilor McBride

Vote: 7 Yes 0 No 0 Abstain 0 Absent

PUBLIC HEARINGS:

Ordinance 2023-2916, An Ordinance amending provisions regarding early issuance of building permits upon substantial completion of public improvements including Newberg Municipal code, Title 15 Development Code, 15.05.030, 15.235, 15.235.080, 15.240.040, and 15.505.020

RCA ORD 2023-2916.pdf

Attachment 1. Newberg City Council Resolution No. 2021-3755.pdf

Attachment 2. Agency Comments.pdf

Attachment 3. Public Comments.pdf

Attachment 4. HB2306-full text.pdf
Attachment 5. PC Resolution 2023-385 signed.pdf

Mayor Rosacker opened the public hearing. He called for abstentions or declarations of conflicts of interest. There was none.

Planning Director Downing presented the staff report regarding early issuance of building permits upon substantial completion of public improvements. The proposed amendments would update the Newberg Municipal Code (NMC) Title 15 Development Code definition related to "substantial completion" for consistency with existing Oregon State law and update the Title 15 Development Code text for consistency with amendments to State law resulting from HB2306 which required cities and counties to issue residential building permits upon the substantial completion of public improvements in residential subdivisions. He answered Councilor's questions as follows:

- If a project had some public improvements already completed, developers would only be required to provide a security bond of 120% of the cost of improvements that had not been completed.
- It had been proposed to add the word "final" to certificate of occupancy, but a building official noted that addition would create inconsistencies with other portions of the Code. The wording would remain certificate of occupancy.

Public Testimony: None

Mayor Rosacker closed the public hearing.

Staff recommended waiving the second reading and adopting Ordinance 2023-2916 as proposed.

PD Downing confirmed the ordinance would comply with State law and clarify what the rules were for those taking advantage of the streamlined building permit process.

Action: To waive the second reading of Ordinance 2023-2916.

Motion: Councilor Kilburg

Second: Councilor Olson

Vote: 7 Yes 0 No 0 Abstain 0 Absent

Action: To accept Ordinance 2023-2916 amending provisions regarding early issuance of building permits upon substantial completion of public improvements including Newberg Municipal code, Title 15 Development Code, 15.05.030, 15.235, 15.235.080, 15.240.040, and 15.505.020 as read by title only.

Motion: Councilor McBride

Second: Councilor Carmon

Vote: 7 Yes 0 No 0 Abstain 0 Absent

Resolution 3896 - State Shared Revenues:

RES 3896 State Shared Revenues1.pdf

Mayor Rosacker opened the public hearing. He called for abstentions or declarations of conflicts of interest. There was none.

Finance Director Strode presented the staff report regarding taxes that provided revenue, the amounts of those taxes, and the affected budget funds.

Public Testimony: None

Mayor Rosacker closed the public hearing.

Staff recommended adopting Resolution 2023-3896.

Action: To adopt Resolution 2023-3896 on Shared State Revenues.
Motion: Councilor Olson
Second: Councilor McBride
Vote: 7 Yes 0 No 0 Abstain 0 Absent

Resolution 3897 - Provision of Municipal Services:

RES 3897 Provision of Municipal Services.docx

Mayor Rosacker opened the public hearing. He called for abstentions or declarations of conflicts of interest. There was none.

FD Strode presented the staff report regarding eligibility to receive State shared funds through providing essential municipal services. The City of Newberg certified the following municipal services:

- Police protection
- Street construction, maintenance, and lighting
- Sanitary sewer
- Storm sewers
- Planning, zoning, and subdivision control
- Water utility service

Public Testimony: None

Mayor Rosacker closed the public hearing.

Staff recommended adopting Resolution 2023-3897.

Action: To adopt Resolution 2023-3897 on Provision of Municipal Services.
Motion: Councilor Carmon
Second: Councilor Yarnell Hollamon
Vote: 7 Yes 0 No 0 Abstain 0 Absent

Resolution 3898 – Adoption of City Budget

RES 3898 Adoption of City Budget.docx

Mayor Rosacker opened the public hearing. He called for abstentions or declarations of conflicts of interest. There was none.

FD Strode presented the staff report regarding the fiscal impact of the 2023-2024 approved budget, total appropriations, and the approved property tax rate.

Public Testimony: Robert Soppe encouraged Councilors not to follow the path toward a 75% property tax increase as it was a serious financial burden placed on city residents. This was not part of the 3% annual increase on assessed values provided by Measure 50, and instead was working around Measure 50 and pushed the financial burden of the Newberg Fire Department out of the City's Measure 50 tax rate limit, allowing the taxes that funded the Fire Department to continue to be collected. Although legal, this went against the will of the voters who passed Measure 50, and he hoped Council had enough respect for voters to uphold the intent of Measure 50. He asked Council to reconsider the property tax increase.

Mayor Rosacker closed the public hearing.

Staff recommended adopting Resolution 2023-3898.

There was discussion as follows:

- Mayor Rosacker stated when Measure 50 was passed, the citizens of Newberg gave the City the option to raise taxes by 3% until the established limit was reached. FD Strode and CM Worthey had informed the Mayor earlier in the year that this step would be necessary. Mayor Rosacker had enlisted a couple people to work with FD Strode and CM Worthey in the coming year to see if there was an opportunity to not raise taxes in the next year's budget. Mayor Rosacker agreed the city residents were taxed a lot, and he wanted to keep the financial burden on the citizens of Newberg as low as possible.
- Councilor McBride encouraged Council to keep this issue at the forefront and proposed revisiting the matter every four or five months to ensure progress was being made.
- CM Worthey had already committed to form a team to look into the matter in a few months, and he assured Councilors it would not be forgotten. CM Worthey noted when the measure was initiated, inflation and material costs had been at an all-time high, and the decision had not been made lightly. CM Worthey affirmed that he and FD Strode were very careful financially and were committed to reducing the City's debts. The way to tax citizens less was to reduce the City's debt burden which accounted for a loss of \$2,000,000 annually.
- FD Strode admitted the issue was complex, and as much as everyone would like to see no fees on water bills and no tax increases, there were structural deficit problems that needed to be fixed on top of the City's debt burden. FD Strode agreed that having a periodic reminder was a good idea and noted the fiscally conservative leadership in the City.
- Mayor Rosacker stated two Budget Committee members and one City Councilor could be assigned to work on the matter, and which he affirmed would be addressed with diligence.

Action: To adopt Resolution 2023-3898 on Adoption of City Budget.

Motion: Councilor Kilburg
Second: Councilor McBride
Vote: 7 Yes 0 No 0 Abstain 0 Absent

CONTINUED BUSINESS: Ordinance 2023-2911 Urban Reserve Area Expansion at 31544 NE Corral Creek Road, 30455 NE Fernwood Road, 31095 NE Fernwood Road, 30575 NE Fernwood Road, Yamhill County Tax Lots R3222 02700, R3222 02500, R3222 02800, R3222 02900 and abutting right-of-way minus the 20 acres located outside the Zone 1 Water Service Area

RCA ORD 2911.pdf

Attachment 1 - PA-01-21.sr2 - approval.pdf

Attachment 2 - NUAMC Minutes Packet.pdf

Attachment 3a - ExceptionLandVsBellairsURAMemorandum 2021-08-16.pdf

Attachment 3b - CPMA21-0002 URA Expansion Engineering Comments.pdf

Attachment 3c - 20221221 CPMA21-0002 URA Expansion Engineering Comments.pdf

Attachment 3d - Agency Comments.pdf

Attachment 3e - Special Districts Comments.pdf

Attachment 4 - Public Comment Packet.pdf

Attachment 5 - NUAMC Resolution 2006-16.pdf

Attachment 6 - Order0004.pdf

Attachment 7 - YCBC.pdf

Attachment 8 - NUAMC Resolution 2007-20.pdf

Attachment 9 - ORD2697.pdf

Attachment 10 - YC Brd Decision 7-16-2008.pdf

Attachment 11 - Newb Remand Order 001767 Letter-Report Final 05-08-2009.pdf

Attachment 12 - NewbergUrbanReserves LCDCRemandOrder001787 Report&CoverLtr 4-22-10.pdf

Attachment 13 - Ord2792 signed.pdf

Attachment 14 - Res3807 NUAGMA.pdf

Attachment 15 - Newberg URA Expansion Application Package.pdf

Attachment 16 - URA Staff Report Response Letter 11-15-2022.pdf

Attachment 17 - Dowl 11-22-22.pdf

Attachment 18 - Public Comment Packet.pdf

Attachment 19 - Newberg URA DOWL Stormwater Response Memo 2023.04.11.pdf

Attachment 20 - RESOLUTION NO.2023-23(Signed).pdf

Attachment 21 - FYC - Newberg URA Expansion CC comments merged.pdf

Attachment 22 - Public Comments Packet 5-12-23.pdf

Attachment 23 - CC Comments 5-15-23.pdf

Attachment 24 - Applicant Final Written Argument.pdf

Mayor Rosacker stated public testimony and the Staff recommendation had been received at the May 15 meeting, and the public hearing had been closed.

Community Development Director Rux presented the updates to the staff report. The Applicant had been given seven days to submit final written arguments which were provided in the packet for this meeting as Attachment 24, and public comments made on May 15th were included as Attachment 23. These were the only changes to the staff report.

City Attorney Walker read a legal post-hearing announcement regarding how the case could proceed pending the Council's decision.

Discussion by Council was as follows:

- The staff report given to Newberg Urban Area Management Commission (NUAMC) included information from the Engineering Department regarding issues of serving water to sites above 300 feet in elevation. CDD Rux had created a map to give a visual depiction of the areas above 300 feet.
 - NUAMC sent a recommendation to the Council to approve the proposal minus the 20 acres which were above 300 feet as indicated on the map. The 20-acre exclusion was included in the Ordinance title.
- The Council could choose to approve the application to include all 95.3 acres. To receive more information from the Applicant the public hearing would need to be reopened.
 - If the Council wished to proceed with approving the full 95.3 acres, Staff could be directed to return with a revised set of findings that included the entire 95.3 acres. It would require collaboration with Public Works and the City Attorney to modify findings based on meetings with NUAMC and City Council. The findings would be presented at the July 17th meeting.
- CDD Rux was not aware of rules that prevented creating islands of unapproved land areas.
- The Engineering division had expressed concerns about trying to serve water to a small area above 300 feet with a booster pump station, and although it was feasible to do so, the long-term maintenance and operations may require an additional water pump station. Other areas that had been approved for additional booster pump stations to accommodate serving water above 300 feet were much larger than the site in question.
- The Council had not been aware of the 20 acres being excluded from this site, but there was no option to revise the proposal at the time without directing Staff to produce new findings relating to the serviceability of water.
- In the final written arguments in Attachment 24 the Applicant recapped their perception of comments made during the NUAMC discussion. The resolution before NUAMC had excluded 20 acres in both the title and report because it was in Zone 2 of the water service system.
 - The Applicant thought they were applying for the full 95.3 acres but had been provided with the same staff report that was sent to the NUAMC members that excluded the 20 acres. The issue of the excluded 20 acres was not addressed at the NUAMC meeting.
- The matter could be sent back to NUAMC for revision, or the Council could choose their own revisions and provide directions to Staff to make those revisions to the findings.
 - City Attorney Walker clarified that opening the public hearing again would allow the Applicant, opponents, and supporters to submit additional testimony as well as allowing the Applicant to submit an additional final written argument.
- Mayor Rosacker proposed directing Staff to revise the findings to include the 20 acres above 300 feet in elevation and adding the stipulation that the cost of the additional water pump station would be paid by the developer.
 - Councilor Olson stated that despite the initial cost of the booster pump station being paid by the developer the ongoing cost of maintenance of the station serving such a small area would be a cost inefficient way to spend taxpayer money.

- Mayor Rosacker stated the Bell East water pump station had initially been approved to serve a very small area.
- If the application was passed excluding the 20 acres it was possible that the City Council could initiate an Urban Reserve Area analysis, or the property owner could apply again for an Urban Reserve Area expansion in the future.
- The Department of Land Conservation and Development (DLCD) had commented that the updated editions of the Housing Needs Analysis and Economic Opportunity Analysis which were not acknowledged yet had been used in the application, and the decisions must be made using the existing Comprehensive Plan until the new data was acknowledged. The Applicant could modify the application to avoid hitting a roadblock with DLCD, which would prevent the issue from coming back before the Council.

[1:18:05]

Action: To continue the 2nd reading of Ordinance 2023-2911 to July 17, 2023 and direct Staff to prepare findings to include the 20 acres which had been excluded from the Urban Reserve Area.

Motion: Councilor Kilburg
 Second: Councilor Wheatley

Mayor Rosacker noted Staff needed clear guidance to make sure the City would not be responsible to pay for the pump should the Applicants chose to build above 300 feet in elevation.

Amended Action: Add language to include the condition that if a pump station was needed, the installation would be at the builder or developer's expense. [1:19:35]

Motion: Councilor Kilburg
 Second: Councilor Wheatley
 Vote: 7 Yes 0 No 0 Abstain 0 Absent

Vote on the Main Action: 7 Yes 0 No 0 Abstain 0 Absent

NEW BUSINESS: North Valley Friends Church ARPA monies:

RCA Motion to Approve Negotiations re Peace Trail Village 4869-0655-6766 v.2 2023-0605.docx

Public Comment: Jim Talt asked for clarification on a special deal being made with North Valley Friends Church (NVFC) that for every American Rescue Plan Act (ARPA) dollar they gave back to the City, the City would give NVFC 1.5 Construction Excise Tax (CET) dollars in return. Mr. Talt asked why Newberg was willing to make the fund swap and postulated it was because CET dollars could not be used on City projects, but the ARPA money could be spent on City projects. This deal was not fair to other ARPA recipients, and that if he were an ARPA recipient with unused ARPA funds, such as Harvest House or Yamhill Community Action Partnership (YCAP), he would want the same deal. During Council's discussion on possibly

canceling the CET, it had been recognized that Newberg did not have a documented process governing administration of CET funds and had not defined who would be eligible to apply for grants as there was no application procedure or calendar, no guidance for content requirements, or evaluation criteria. Potential applicants would not know if there were standard terms and conditions. Applicants would be lining up to receive CET grants, such as Habitat for Humanity, Newberg Housing Consortium, Harvest House, YCAP, Love INC, possibly [1:23:14] Christian Charities in Providence who were planning a large housing project in Newberg, [1:23:21] Willcut, JW Smith, and NVFC. He asked if it was fair to fast track NVFC to receive CET monies, and suggested NVFC be treated the same as other applicants. He encouraged Councilors to vote against giving special status and consideration to NVFC, as it was not fair to other ARPA recipients or future CET Applicants. This deal would subtract \$175,000 in funding from the community's affordable housing money pool because the ARPA funding that was supposed to be used to build Peace Trail Village would instead fund City projects. He guessed the \$175,000 would become 0.7 percent of a new water treatment plant.

Jared Jones, NVFC member, stated a few months ago, Councilor Carmon had suggested to NVFC the idea of negotiating an exchange of funds with the City, as they felt the exchange would benefit projects being completed by both parties. The City did not have many other options to spend the CET funds. NVFC saw the trade as a possible way to solve the ongoing problem of connecting to city water and sewer systems, which had been under negotiation for many years before Peace Trail Village was proposed, and before ARPA funds existed. The existing water system had sufficient pressure to serve two of the three properties at the top of North College Street, including the Veritas School property, Bill Rourke's residential subdivision, and NVFC property. The three property owners collectively bought a pump years ago, and then were told the pump needed a backup generator which would cost around \$100,000 but would only be used in the case of power outages. The property owners did not have the funding to purchase the backup generator. When Veritas School was ready to connect to City services, the other property owners allowed Veritas to take one of the two water service allotments. When Bill Rourke's project was ready, they took the other water service allotment. NVFC entered negotiations with the City to sell a small portion of NVFC property to the City for a city pump station to solve the water pressure problem. Veritas used their right of first refusal to prevent the sale of NVFC property to the City, and the City ended negotiations regarding the pump station. NVFC had been courteous to neighbors, offered several solutions to the water problem, and were now stuck. NVFC still desired to connect to water services which were provided to all properties within city limits. NVFC was disappointed that collaboration with Veritas and the City had been disrupted and hoped that working together would bring solutions to address the concerns of all parties. NVFC requested that the City consider adding up to \$80,000 to the exchange of CET funds for ARPA funds to enable NVFC to connect to city water services. NVFC was open to other solutions such as a dollar-for-dollar exchange or abandoning the exchange entirely. NVFC wanted to be fair to all parties including others interested in receiving CET funding. NVFC hoped to solve their water problem through solutions provided by the City or by doing Engineering studies to find that

the existing water supply was adequate. NVFC did not think they were entitled to extra funds and proposed the exchange to solve a problem through funds that the City did not have other plans to use. NVFC hoped to find a solution and move forward as good partners with fairness for all parties.

Greg Woolsey was the closest neighbor to the proposed Peace Trail Village and had shared a property line with NVFC for 20 years. The only conversation he had regarding water was with NVFC who had been honest, forthcoming, and direct in doing what they said they would do. Mr. Woolsey hoped other developers had been as forthcoming in talking with residents about their projects, and not claiming they talked with neighbors when they had not done so. Mr. Woolsey was also the nearest neighbor to Veritas, and he had not been informed about the current Veritas project. Mr. Woolsey reiterated that negotiations should be up front, honest, and as public as possible.

Councilor Carmon responded that he had been looking for creative ways to use the CET funds and had approached NVFC with the idea of a dollar-for-dollar exchange of NVFC's ARPA funds for City CET funds, as there was not a plan for spending the CET funds. He hoped the ARPA funds received by the City could be used for projects such as the water treatment facility, or other City needs. Councilor Carmon stated his actions were in accordance with City Council goal number six to implement careful and prudent fiscal policy with objective number one being to reduce and eventually eliminate City debt. The NVFC would be willing to do a dollar-for-dollar exchange of the funds and it would be an opportunity to use the money wisely.

The Council discussed:

- Extending the same funds exchange offer to other ARPA recipients who qualified for CET funds.
- The importance of solving the ongoing water service problem in the area.
- Most ARPA projects would not qualify to receive CET funds.
- Projects funded through ARPA must be completed to avoid paying back the ARPA funds.
- A dollar-for-dollar exchange would be fair.
- The City just passed a charter amendment that the City could not give out more than \$25,000 to a transitional housing project if it was located within 1500 feet of a school, so Peace Trail Village may not qualify to receive CET funds.
- Peace Trail Village's proximity to a church may help transitioning people to find faith.
- The uncertainty created by NVFC switching funding sources or making one-time deals.
- Not giving NVFC an extra \$80,000 on top of exchange.
- The \$80,000 could benefit low-income residents.
- If the deal was not approved the City Manager would have to write NVFC a check for \$178,000. They were going to receive the funds anyway and this was an opportunity for the City to benefit.
- The charter amendment preventing giving more than \$25,000 to transitional housing within 1500 feet of a school had been passed, but the results had not yet been certified.
- The City Attorney's office could provide more information on whether the project would trigger use of the charter amendment.

- Tiny homes on wheels may invalidate the charter amendment, but small homes with foundations may be acceptable.
- A ballot challenge period and certification period would have to pass before the charter amendment could be enacted. The charter amendment had been passed, but it did not mean Code would have to be modified. The charter may also need more work such as creation of definitions, processes, and possibly resolutions before it was used.
- The main questions were whether the Council was going to swap ARPA dollars for CET dollars, and whether they would add the extra \$80,000 on top.
- Water issues in Newberg were mostly to do with elevation and pressure, not volume. If Veritas had enough pressure without the additional pump, it was likely that NVFC would also have sufficient pressure to supply them with water services.
- Uncertainty whether the swap of funds was legal.
- The process of dispersing CET funds was to go through the Affordable Housing Committee.

[1:49:07]

Action: To not approve the authorization as currently worded for the City Manager to negotiate or enter into an agreement on behalf of the City with North Valley Friends Church.

Motion: Councilor Kilburg
 Second: Councilor Wheatley

Discussion noted NVFC would then proceed to cash their check for \$178,000 in ARPA dollars. CM Worthey was duty-bound to release the money as NVFC had met the planned permission steps that had been laid forth as per the memorandum of understanding (MOU). Clarification was sought on whether it would be a dollar-for-dollar trade without the extra \$80,000.

City Attorney Walker acknowledged the motion to deny and clarified that since no ordinance was attached to this decision, Council could make any amendments to the request it found necessary, and if approved, this would allow the City Manager, in conjunction with the City Attorney's office, to enter negotiations to make the deal.

1:52:14- commenting on motion to deny; want to amend to approve...? -Mayor

typically only note the amendment...but now he's completely flipping it

Amended Action: To approve the authorization for the City Manager to negotiate or enter into an agreement on behalf of the City with North Valley Friends Church and to swap ARPA funds to CET funds dollar-for-dollar only.

Motion: Councilor McBride
 Second: Councilor Olson

Councilor Wheatley stated it did not make sense to give out CET funds when Council just discussed opening the floor to give CET funds to other entities. She also did not like how it would look for the City to be moving around funds.

Councilor Kilburg stated she was concerned NVFC had not yet applied for the CET funds, and other organizations had applied. She asked what YCAP or Harvest House would have done if they had known that they could make a deal to swap funds with the City. She did not think it was good policy to go this route and make the deal.

[1:54:05]

Councilor McBride withdrew his amendment to the motion, noting a clear process was needed.

There was discussion on the resistance to shuffling money; Council being unified in not liking how ARPA had been handled; NVFC's option to take the ARPA funds and also apply for CET funds; the amount of CET funds available for dispersal, which is just under \$1,000,000, the approximately \$220,000 of undispersed ARPA funds, which included the amount owed to NVFC; and that NVFC was not doing anything wrong, its participation was voluntary, and NVFC was rightfully owed the ARPA funds.

[amending motion to approve was withdrawn]

Councilor Olson [1:58:08] stated she wanted to amend the motion to negotiate all relevant ARPA recipients who had remaining funds and were eligible for CET, not just NVFC. This would benefit affordable housing and all residents' water bills, making it fair for those receiving ARPA funds and leaving approximately \$500,000 for those who did not sign up for ARPA funds. However, she wanted to be respectful to other Councilors' motions, noting the first motion to deny was seconded and still on the floor.

~~Amended Action: To authorize the City Manager to negotiate all relevant ARPA recipients working toward affordable housing goals who had remaining funds and were eligible for CET~~

~~Motion: Councilor Olson~~

~~Second: Councilor Carmon [1:59:20]~~

Councilor Yarnell Hollamon called the question.

2:00:55

Mayor Rosacker restated the main/original motion, noting if approved, NVFC would get the ARPA money it was entitled to, and the matter would be finished.

~~Action: To not approve the authorization as currently worded for the City Manager to negotiate or enter into an agreement on behalf of the City with North Valley Friends Church.~~

~~Motion: Councilor Kilburg~~

~~Second: Councilor Wheatley~~

[2:01:20-Video]

Vote: 4 Yes - McBride, Wheatley, Kilburg, Rosacker
3 No - Yarnell Hollamon, Carmon, Olson
0 Abstain 0 Absent

Councilor Olson noted the motion did not address the 1.5:1, adding she wanted to address the issue raised by Councilor Kilburg, as well as the issue about not being fair to other ARPA recipients. [2:01:45]

Action: To allow the City Manager to negotiate for the return of ARPA dollars for the water plant to be replaced by CET funds for any ARPA recipients who had remaining dollars to the benefit of Newberg citizens.

Motion: Councilor Olson
Second: Councilor Carmon

Councilor Wheatley asked if the motion referred to ARPA recipients who did not want their money or had not met the MOU.

CM Worthey understood the motion would authorize him to negotiate with each ARPA recipient, who was able to claim CET funds under the rules laid out by the Planning Department in the ABC categories, for a one-to-one exchange only.

Councilor Kilburg believed the procedure was still too convoluted. The Affordable Housing Commission had a matrix of different ways to qualify for affordable housing funds, for example, a scale of one-to-ten with the total determining whether someone received the money, and how much money they would receive. This action would disregard that entire process and do something completely different which was not how the City wanted to do business on a regular basis. This had nothing to do with how Peace Trail Village could apply for CET funds in the future but was simply about keeping the procedure and documentation clean.

CDD Rux clarified that in December of 2022, the Planning Division brought to the City Council a notice of funding availability and the procedures, process, and scoring for CET funds. On January 1st, the City Manager and CDD Rux discussed putting the funds on hold. During the CET sunset discussions, CDD Rux had mentioned previously the need to bring that document to the current Council for review and approval to be able to move forward. The process developed by the Affordable Housing Commission was on hold.

Councilor Wheatley did not like how the situation would look if the City moved forward with negotiations.

Councilor Yarnell Hollamon wanted to move the issue forward in a way that met the objectives of Council's goals, and given the frustration around ARPA funds, she hoped to put it toward City infrastructure, which was the goal of Councilor Carmon. Councilor Yarnell Hollamon agreed that the deal should be opened up to any other ARPA projects that would meet the qualifications.

Councilor Wheatley stated supporting ARPA projects over other applicants was not fair or equitable.

Councilor Yarnell Hollamon clarified no applicants had been prohibited from coming forward. Part of the reason for sunsetting the CET was Council's frustration about the process of dispersing CET funds that Council now considers a great process. [2:08:10] She was confused why the process that had caused frustration was now being supported.

Mayor Rosacker noted there was a process in place to issue CET funds, even though it was on hold. If Council wanted to alter the process that could be discussed when Council put the CET back into motion. It would not be fair to take that money unless all community members were allowed to apply for the Affordable Housing funds.

[2:09:41-Video]

Vote:

3 Yes (Yarnell Hollamon, Carmon, Olson)

4 No (McBride, Wheatley, Kilburg, Rosacker)

0 Abstain 0 Absent

COUNCIL BUSINESS: Councilor Olson – Planning Commission Forward Looking Calendar
Planning Commission Forward looking Calendar .pdf

CDD Rux had been publishing a Planning Commission forward looking calendar after each Planning Commission meeting. Councilor Olson had been sending out the calendar to inform other Councilors about upcoming issues that they should avoid having in-depth conversations about to avoid creating conflicts of interest unless the conversation was recorded and reported.

Meeting adjourned at 8:11 p.m.



Will Worthey, City Manager

ATTEST:



Bill Rosacker, Mayor