

MINUTES OF THE NEWBERG CITY COUNCIL

MONDAY, MAY 17, 1999

7:00 P.M. MEETING

PUBLIC SAFETY BUILDING - TRAINING ROOM

I. CALL MEETING TO ORDER

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

II. ROLL CALL

Roger Currier (RC)
Donna McCain (DM)
Lisa Helikson (LH)

Alfred Howe (FH)
F. Robert Weaver (RW)
Brett Veatch (BV)

Staff Present:Duane R. Cole, City Manager (DRC)
Terrence D. Mahr, City Attorney (TDM)
Larry Anderson, Engineering Manager
Barton Brierley, Planning Manager
Peggy Nicholas, Recording Secretary

OTHERS

PRESENT Mike Wallace, Kelli Highley, Pat Haight, Warren Parrish, Robert Soppe

III. PLEDGE OF ALLEGIANCE

The pledge of allegiance was performed.

IV. CONSENT CALENDAR

1. Approve City Council meeting minutes from Regular meetings held on January 4, 1999; January 19, 1999; Joint meeting of City Council and Planning Commission held on January 28, 1999; Regular meetings held on February 1, 1999 and February 16, 1999; Study Session held on February 22, 1999.

Councilor FH noted the changes. Changes to the first page RC nominating RW as Council President. TDM reviewed the clarifications statements made (page 3).

Councilor RC asked about coordinating the minutes and completing the minutes in a more timely fashion.

MOTION: RW/LH to approve the Consent Calendar minutes with the corrections noted. (Unanimous). Motion carried.

V. COMMUNICATIONS FROM THE FLOOR

Ms. Kelli Highley, 619 S. River Street, Newberg, Oregon, discussed the public hearing process, specifically concerning the asphalt plant and the annexation issues (UGB). She said that Baker Rock has had City services since 1986 and she would like to see the City revisit this concern after the appeal.

TDM said he is not aware of any such agreement. The City furnishes water to districts, and to persons connected to a hardship provision. The City will enter into an agreement wherein the property owner agrees to annex their property into the City upon the City's request.

Ms. Pat Haight, 501 E. Illinois, #12, Newberg, expanded on Ms. Highley's comments about the City requiring persons outside the City having to sign a waiver of remonstrance. Ms. Haight also addressed the impact Baker Rock would have upon the City if it was allowed to annex into Newberg. Ms. Haight said Newberg River Rock (now Baker Rock) had river water rights (providing for 1.2M gallons per day) and who is applying to the State to transfer their water rights. Ms. Haight noted concerns about the impact the water consumption will have upon the City water source, the City's water supply and the lack of gravel in the river.

Mr. Warren Parrish, 30450 NE Wilsonville Road, Newberg, discussed the following:

1. NUAMC agreement and the area of influence.

2. Did the City just acquire Springbrook Road? DRC said the City did acquire the northern portion of Springbrook Road. Mr. Parrish discussed the recent I-5 (at Wilsonville Road) automobile accident wherein traffic was diverted off of Hwy 219 and Wilsonville Road intersection.

3. Special Presentation from Yamhill County Mediators

VI. PUBLIC HEARING

None.

VII. CONTINUED BUSINESS

None.

VIII. NEW BUSINESS

1. **Resolution No. 99-2179** recognizing and appropriating grants and donations the City has received and transferring other necessary funds.

TDM said that any business that comes before the Council, the Council members should note whether there is a conflict of interest and whether or not they would have to abstain from the discussion or voting. There being none, the meeting continued.

Ms. Katherine Tri, Finance Director, provided the staff report. \$52,067 transfer received through grants or donations.

Councilor FH asked if any of the contingencies have an impact on the year-end figures. Ms. Tri said they adjusted the cash expenditures for next year.

Ms. Tri asked that the Council approve Resolution 99-2179.

MOTION: DM/BV to accept Resolution 99-2179.(Unanimous). Motion carried.

2. **Resolution No. 99-2180** approving the new EMS rates.

Ms. Tri provided background information concerning the EMS ambulance rates for the past 5 years. Ms. Tri discussed how HMO's are not willing to pay for ambulance service, generally, and there are Medicare reimbursement policies which will have an effect on ambulance receivables. Ms. Tri said the current fire negotiation contract may also have an impact. There is a 7% increase and an 11% increase in life support costs. Mr. Frank Douglas, EMT Coordinator, prepared a rate study and comparisons. The result of the study reflects the City is under market. The proposed rates allow for market compensation.

Mr. Frank Douglas, EMS Coordinator, said that to his knowledge, Yamhill County has not been up for franchise review. All but Newberg and Yamhill County has had ambulance service (government operated). Councilor RC noted that there is a "non-compete" issue. Discussion was held concerning the City subsidizing ambulance services, generally. There are no property taxes being used for the ambulance services. Mr. Douglas invited the Council members to ride along with the City's ambulance crew.

Councilor FH asked if the City has a pre-pay program. Ms. Tri said that yes the City has a pre-pay program. Discussion was held concerning the amount reflected in the revenue projections. Ms. Tri said it is included in the whole ambulance account.

Councilor FH also addressed the fiscal impact statement and what would meet the goals of the fiscal policy. Ms. Tri said it depends upon the volume of calls. If there is a jump in calls, the City could be okay. This is an incremental increase.

Mr. Douglas addressed CPI increases in which other cities have requested increases every

year.

Councilor RW said the Hospital Auxiliary does provide funds to the ambulance program. He encouraged each member to vote unanimously.

MOTION: RW/DM to approve Resolution No. 99-2180.

Councilor RC said he finds it hard that a public entity cannot transfer someone from the City to Portland for \$500 (\$475). He also discussed the City of Springfield doing the City's ambulance billing service (\$2400-\$2500 per month). The City should have a program that is available to provide this billing service for a much less cost (3 patients or ambulance calls per day). Ms. Tri said Springfield does the billing and collection services.

Councilor RW called for the question.

ROLL CALL:(6 Yes/1 No [RC]). Motion carried.

3. Motion to extend the current Newberg Urban Area Growth Management Agreement to July 1, 2000.

DRC said they are continuing with the coordination with the County. The City has applied for a grant to help work out the negotiations.

Councilor RC asked about the area of influence and who would be making the decision on the "area of influence". DRC noted there are a lot of over-lap on state laws concerning non-definitive language. TDM said the area of influence is in the original URA and UGB (one mile from UGB) and the City would receive notice. The concept has been superseded by the URA. Discussion was held concerning areas outside the City's UGB (area of influence). The URA is projected for 30 years. The UGB is 20 years. DRC said the City is receiving notice for issues within 10 miles of the City. Discussion was held that the motion would allow for a one year extension while the negotiations are pending in order to complete the agreement.

Councilor FH said his recollection of the last process was a joint meeting with the County Commissioners concerning an issue of concurrence within the UGB. The County Commissioners considered it an impasse and asked for mediation. The City entered into mediation on the issue and they are dealing with the URA. Throughout that process, he felt it was working appropriately, but did not agree with results (essentially nothing). He felt there was generally no improvement over the current agreement. Discussion was held concerning motivation for not extending the current agreement, is the potential receipt of funds from a potential grant. If approved, the City would be sending a message to the County, that we are not happy, but not really unhappy with it either. He is convinced the City should have the ability to control the growth and the time for growth that occurs within its UGB. It is a control issue. If we approve this, he is concerned that the City would not have leverage upon which to negotiate.

DRC said the concerns of staff was that the current agreement, if rescinded, all land divisions within two miles would be stopped. However, properties subdivided would be without zoning, without the City's authority to provide input. DRC said that DLCD also is involved which brings all the parties together. Discussion was held concerning the Council and the County's position at different issues and bargaining chips. The City received notification and assistance with the process. The City receives notification of permits earlier on. At some point, the City needs to drag out these issues and they need leverage to do this.

Councilor FH said that potentially, the City could lose its "recommendation" ability. Will the City also lose its ability to comment? Discussion was held concerning open meeting laws. The City would not necessarily receive notice, but we would have to watch every movement of the County on land use issues.

Councilor RC addressed issues on if ultimately the property will become the City, the City should have the final say-so. He agrees with the comments of Councilor FH in giving the wrong message, but be more strict in providing a more definite time period (within one year). DLCD and the County may receive the concept more favorable.

DRC said the primary negative impact for county property would provide for no subdivision, partitions. The City would not receive notice on currently County zoned property. Anything in the NUAMC agreement property provisions would go away.

Councilor DM asked if the City could ask to meet with the County again to let the County know the City is concerned about the issues raised. DRC said that it would not harm, but if the agreement is extended, he could generate a letter to have the Council and the County talk about the issues without coming to an impasse.

Councilor LH asked why only for one year? Would it be an option to extend for a shorter period of time to address the issues in a more shorter time frame. DRC said it will be some time to get through the issues. The agreement will be looked at by 10 other cities in the County.

Councilor FH said there is a 10 year history of inability to come to an agreement where these issues have been addressed to partial satisfaction of the City. Discussion was held concerning discontinuing the agreement and not to renew to create leverage of a negotiating position. The idea was to push the agreement. The City has until July 2nd. He sees no reason to send a message that we are not happy but will live with it. He would rather send a letter with serious concerns with the impacts of not giving an extension.

Councilor RC said that the strategy of using the media to communicate with the County Commissioners is the wrong format. We need to show that we are not happy with the agreement and will ultimately do something.

Councilor FH said that until there is an agreement, the City is open to more issues such

as Baker Rock. Discussion was held concerning the alternatives provided by the Council members. TDM said the enforcer of these types of administrative rules are the Department of Land Conservation and Development. Two ideas:

1. Postpone or tabling for a meeting so staff can go to County with a schedule to meet and arrive at a conclusion.
2. Schedule an extension of time less than one year which would be dependent upon the progress of the meeting and negotiations.

DRC said he would recommend tabling the matter to until June 7th meeting and that no motion necessary.

4. **Ordinance No. 99-2512** enacting a Privilege Tax as provided for in Section 10(i) or Ordinance No. 92-2348 which grants a franchise to Portland General Electric.

Mayor Cox asked for conflicts, abstentions. There were none. DRC said the matter was discussed at the Budget meetings. Everyone pays 3% of their power bill to the City (public rights of way, wires, etc.). Part of the franchise agreement, there is 1.5% option for privilege tax. Everyone would pay, even the non-profits. The tax is collected by PGE, small amount every month. If the share of the City Hall remodel out on the taxes, it would cost the residents \$2.54 per month. While the Privilege Tax is about \$.89 per month which is considerably less than what would be charged with property taxes. It is a regressive tax (pay for what you use). PGE could take some static for this charge and is not deductible like property taxes. Some may say it is a "hidden" tax. It generates approximately \$125,000 per year. DRC reviewed the City's need for these funds. Whatever funds not used would be placed in a facilities maintenance reserve. The City Library carpets are in need in replacement (after 15 years). Discussion was held concerning replacement and repair of other City buildings and scheduling projects.

TDM said he reviewed the privilege tax as envisioned in the ORS in lieu of a franchise tax fee. The City added the privilege tax of 1.5%. There is another City that did reserve the right. PGE has indicated that they will not oppose. He prepared an Ordinance to amend the Ordinance to get it signed and provide 90 days notice (it will become effective 30 days after passage of the Ordinance). The tax will be collected after September 30, 1999.

Mayor Cox called for a break at 8:10 p.m. The meeting reconvened at 8:15 p.m.

Robert Soppe, 709 E. Sheridan Street, Newberg, a Budget Committee member, reviewed the Budget Committee process. The budget process involves public meetings and the opportunity is available. Regarding the tax, he was not excited about it, but he voted for it. He said that to look forward to the future, he would like to see other ways to finance things for the City. There are other alternatives for the Council to review these issues prior to the time crunch period.

Kelli Highley, 619 S. River Street, Newberg, Oregon, said that when Oregon Tax Payers United drafted Measure 47, they received 57% voter approval rate. Measure 50 was then implemented. Ms. Highley provided testimony concerning the initiative that would roll back the taxes to the November, 1998 level. Any taxes would have to roll back to the voters, the monies the City collects will have to be refunded to other people. Existing taxes and fees cannot be raised (franchise fees, privilege fees, certificates of participation, and others without voter approval). She is warning, if the voters approve, that means the City will have to refer to the voters any fees incurred from November, 2000. The cities have become creative in raising taxes. It will affect any tax or fee by any entity.

Pat Haight, 501 E. Illinois, #12, Newberg, Oregon, addressed the placement of the notice being on page 6 of the Graphic. Ms. Haight reviewed expenses of the City. Ms. Haight said the City would be charging the non-profits. Ms. Haight reviewed the other expenses incurred by residents (heat, water heater, lights). Ms. Haight discussed loans the City has made.

DRC said staff's recommendation is to approve Ordinance.

Councilor RC said he does not support the Ordinance for many reasons, one of which is a "hidden" tax.

Mike Wallace, 1532 E. Third Street, Newberg, asked if any of this new tax have to go through PUC for approval. Is this double taxation because of other fees and taxes required by the City?

DRC said the PUC does not regulate the City's franchise agreement. It is not double taxation. It is an existing tax.

Mr. Wallace asked if the fees the City is asking for in line with state regulations? DRC said "yes". Did the City go over the PUC requirements? DRC said it is not regulated by the PUC. Discussion was held concerning a time limit and the franchise agreement would extend to the year 2012.

Discussion was held concerning the information contained in the staff report. Ms. Tri reviewed the information and fielded questions from the Council. She said the animal shelter was funded through public donation funding. There was not sufficient money to fund the animal shelter. Discussion was held concerning the line item for donations otherwise noted in the Capital Improvement Project. Ms. Tri said it was two backhoes for replacement.

Councilor RW said that he lives on a fixed income and the \$.89 will not do much damage to him. He asked Ms. Tri if some money is available for the animal shelter.

Councilor DM said the Budget Committee consists of more than non-Council members fully discussed the matter. The Budget Committee fully reviewed the budget and if all the

Council members attended the meetings, they would understand the reasoning for the tax.

Councilor LH said her concern is that the budget should be approved first and she was also concerned about the fire department's request for a hoist and other things affected by the proposal.

DRC said it was an option to postpone the matter until after the budget is approved and then see what is left to be funded. Councilor RW said the Budget Committee thoroughly reviewed the proposal.

MOTION: RW/DM to adopt the Ordinance and read it by title only. TDM read Ordinance No. 99-2152 by title only, (5 No/2 Yes [RW/DM]). Motion failed.

MOTION: RW/DM to table the matter until after the Budget is approved. (4 Yes/3 No [RC/FH/LH]) Motion carried.

MOTION: LH/FH to have the budget officer come back with the fire department's hoist in the budget for the amount of \$14,000).

Councilor RC discussed proposing better purchasing policies and other purchases by the City staff.

ROLL CALL: (6 Yes/1 No [RW]). Motion carried.

5. **Resolution No. 99-2182** authorizing the City to extend its interim financing for the costs of improving and expanding City Hall; authorizing the negotiation, execution and delivery of amendments to the Interim Financing Agreement and a new note; and other matters pertaining thereto.

Ms. Tri presented the staff report. The City was not able to sell bonds to help pay off loans. The Bank came back with a 4% loan rate for the continued financing for City Hall. Staff recommends approval of Resolution No. 99-2182. The City's bond counsel drafted the resolution.

MOTION: FH/BV to adopt Resolution No. 99-2182.

Councilor RC said he is opposed to the Resolution due to his objection to the purchase of the Bunn property. Discussion was held concerning the hiring of Matt Dunkel to survey the City Hall property to know where City lines are. Larry Anderson is a licensed surveyor to do the projects. Why did the City expend the money to do this? It would have been a cost savings for the City.

Councilor RW said he was pleased with the 4% rate offered by the Bank. Councilor LH called for the question.

MOTION: RW/BV to adjourn at 8:50 p.m. (Unanimous). Motion carried.

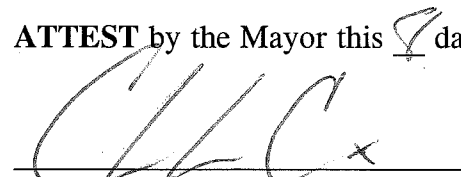
X. ADJOURNMENT

ADOPTED by the Newberg City Council this 4th day of October, 1999.



Duane R. Cole, City Recorder

ATTEST by the Mayor this 7 day of October, 1999.



Charles B. Cox, Mayor