

MINUTES OF THE NEWBERG CITY COUNCIL
MONDAY, JUNE 7, 1999
7:00 P.M. MEETING
PUBLIC SAFETY BUILDING - TRAINING ROOM

I. CALL MEETING TO ORDER

Mayor Cox called the meeting to order.

II. ROLL CALL

Roger Currier (RC)	Alfred Howe (FH)
Donna McCain (DM)	F. Robert Weaver (RW)
Lisa Helikson (LH)	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: Pat Haight, Kelli Highley,

III. PLEDGE OF ALLEGIANCE

The pledge of allegiance was performed.

IV. COMMUNICATIONS FROM THE FLOOR

Ms. Kelli Highley, 619 S. River Street, Newberg, discussed the CPRD changing the outside water user regulations. Ms. Highley announced that the CPRD will be leasing out the ball fields (adult soft ball team out of Salem). She felt the citizens of Newberg having exclusivity.

Ms. Highley also asked why the new fire station has a composition roof rather than a metal roof.

Discussion was held concerning value engineering on the roof and having the buildings blend in with the community.

Mr. Jim Morrison, 717 E. Sheridan Street, Newberg, presented an initiative petition to the Council. It has to do with the youth in the community. Reallocate the 2% room tax to community center. The current property tax revenues would be around \$70,000. The money would be a 501(C)(3) youth council and it would be governed by the youth council and advisory group. Mr. Morrison reviewed some of the items that would be part of the project: skate park, mini-golf system, etc. Mayor Cox asked if Mr. Morrison had discussed his initiative with CPRD. Mr. Morrison said that he had not. Mr. Morrison said that the 501(C)(3) organization would be filed prior to the ballot. City Attorney TDM asked if Mr. Morrison had a preliminary draft of the initiative which has not been filed with the City as of this time. City Manager DRC reviewed the

process about placing the matter on the ballot at a more appropriate time and the process. TDM said once the initiative is authorized and the signatures are received, the City would pay for the costs of the election. Mayor Cox said that the staff report findings would include the response from CPRD.

Councilor RW said that the money given to the Chamber is earned due to the operation of the visitor center. Councilor FH said that it is a community issue. Discussion was held concerning a committee to work with Mr. Morrison to coordinate the beneficial interests of all concerned. Councilor FH said that he would propose that other agencies should get involved.

Councilor RW said that 2% of the property tax from the City is fine, but he would like to see other percentages contributed by other agencies, churches and other organizations.

The matter would be targeted for the first meeting in July, 1999.

Mr. Warren Parrish, 30450 NE Wilsonville Road, Newberg, inquired about the downtown Newberg Redevelopment Committee, concerning lighting. DRC said the lighting grant was not funded by ODOT. The projects went to Corvallis and Salem. Councilor DM said the Downtown Redevelopment Committee will be meeting with the downtown property owners and form a downtown redevelopment association and that group will get others involved. A grant came through the Oregon Downtown Redevelopment agency. Mr. Malcom Johnston (consultant), was paid through a grant. An open house is scheduled for June 16th.

Ms. Pat Haight, 501 E. Illinois, #12, Newberg, Oregon, provided a hand out concerning the budget and the consultant. Ms. Haight discussed how the consultant's first name is not included in the name of the consultant's company. Ms. Haight asked the Council to read the material presented.

Ms. Haight also noted that she heard Mr. Soderquist stating that the City overcharged the residents on the water bills.

Ms. Haight discussed the privilege tax, if approved, will add a great burden upon certain people in the community. There is a group that will be recalling the City Council.

Ms. Haight said she has been confronted by an individual concerning water quality and flushing the water lines.

Councilor RC asked about the liability insurance for Mr. Falconi and proof of insurance (certificate). TDM said he is a registered engineer with the State of Oregon. He is not required to have an assumed business name. His attorney gave an opinion to Mr. Falconi's status as a registered engineer.

DRC said the water rates were discussed by a citizens rate review committee. Discussion was held concerning minor adjustments being made. The City is working with the Homebuilder's Association and the rates involved which may be adjusted. When going through an analysis, rates will go up and will go down.

Councilor RC discussed the CPRD ball fields being leased to a company outside the City in which

water was provided to CPRD (softball tournaments). The USAA asked for treatment as "in-district" users. Councilor RC said the community's youth does not appear to reap the rewards of the use of the fields. Councilor RC said the BMX track is being built and developed through the American Bicycle Association and to be utilized as a bike track. He would like to have seen the skateboard park at the Central School facility.

1. Presentation of the 3rd Quarter Report on the Visitor Information Center

Ms. Pesola reviewed the increase in phone calls to the visitor center. They have a new web site "Newberg.org". Discussion was held concerning a "counter" on the web site "sessions". 24 "hits" were noted.

IV. CONSENT CALENDAR

None.

VI. PUBLIC HEARING

2. Public hearing on annexation request of a 7.9 acre Waterbury Annexation parcel. Applicant is Westlake Consultants, Inc. located in the 700 block of S. Springbrook Road. Tax Lot No. 3221-1700
Ordinance No. 99-2506 declaring that certain territory be annexed into the City of Newberg and withdrawn from the Newberg Rural Fire Protection District together with a zone change from an AF-10 to an M-2 zoning designation. The site is located in the 700 Block of S. Springbrook Road.
Resolution No. 99-2164 authorizing and directing the City Elections Officer to certify to the Yamhill County Clerk a ballot title for a measure to be submitted to the electorate of the City of Newberg for their approval of an annexation request. (Continued from 4/5/99)

Mayor Cox called for conflicts of interest, objections to jurisdiction, ex parte contacts: none.

Mr. Barton Brierley, Planning Manager, reviewed the staff report which would approve the annexation to be placed on the ballot. The property proposed is located on Springbrook Road, split by Hwy. 219 (St. Paul Highway). The property is bound by the City limits on the north, south and east side (7.9 acres - in the City's industrial area M-2). The proposal is for an industrial complex which would consist of a series of industrial buildings which would be leased out to industrial tenants. The final development plan criteria has been met.

Councilor FH discussed the "peninsula" area within the city limits and the changes in the City's ordinances dealing with island annexations being removed in the process.

Councilor RC said that Renaissance has purchased the Gander property behind the Waste Water Treatment Plant. Does this promote annexation of the surrounding property? Mr. Brierley said there is still the airport between that property and the proposed site.

City Attorney read the mandatory statement concerning waive it or raise it, applicable criteria has been addressed in the staff report (page 6 - Exhibit "C"). The matter must go to the ballot of the

people. The bi-ennial general and primary election are not scheduled. On September 21st, the City would pay for the election to be reimbursed by the developer.

Ms. Pamela Vann, presented testimony and introduced the parties to the project.

Ms. Corrine Waterbury, discussed placing the property on the market but found problems because of the property not being in the City limits.

Ms. Vann reviewed why the City Council should approve the project:

- Utilities are available and in close proximity to the property (sanitary water and storm sewer available to the site).
- Access - ODOT has approved the plan.
- Need for industrial property for the City. The City is in a deficit of industrial property. The City's growth rate will accommodate the request.

Mr. Nick Gant, Macadam Forbes, representing the purchasers of the property. Mr. Gant discussed their survey for the need of the project. They would be able to accommodate several different types of users. They received positive feedback (due diligence to see if the project would really work).

Mr. Lans Stout, CIDA, worked on behalf of the purchasers. He reviewed the access and utility issues. Sewer, water and storm drainage is available with no problems. The access off Hwy. 219 will be reviewed by ODOT and they will work with the City and ODOT for safety purposes.

Councilor FH said that one of his fears in any transaction such as this, they go through annexation process, but all of a sudden there is not a buyer, without a site or development plan. He inquired when the transaction would take place on the sale of the property.

Councilor DM said she has deep concerns on the access to the west side and the speed limit being 45-55 mph and going down the road too fast. In addition, she noted that the project could create a traffic problem. Discussion was held concerning developing the east side of the property off of Springbrook Road and abandoning the area by the airpark. Mr. Stout said that because of access issues, the purchasers are aware of situations involving access.

Mr. Dean Miller, said his family resides in the City of Newberg and are interested in building industrial and multi-tenant use property. Mr. Miller said his family's intentions are to follow-through with the purchase of the property barring any unforeseen conditions.

Ms. Vann addressed concerns involving whether or not the sale falling through. Ms. Vann said the City needs industrial property and there is a demand for this type of project (win-win situation).

Opponent:

Pat Haight, 501 E. Illinois, #12, Newberg, said she is not against industrial development, but notes there are some industrial buildings sitting vacant, and if adequate thought being given that a 27 hole golf course (CPRD) that will be connected to Springbrook Road, residential and

commercial property on the Werth property, a school, fire station, no stop light off Wilsonville Road (with no guarantee that it will be built). There are quite a few things that the Planning Commission may not have considered. She would hate to see a developer come in and have vacant buildings on the property. She is concerned whether or not the matter would be adopted by the voters for many reasons, such as lack of water. She would ask that the Council postpone decision based upon future traffic impacts to the area.

Ms. Vann said she understands the concerns of Ms. Haight but referenced the City's development goals. ODOT will be looking at traffic studies and what measures will be required. The Comprehensive Plan reflects industrial land being developed prior to the demand being present.

Mr. Brierley stated that staff recommends adoption of Resolution and Ordinance.

TDM reviewed the applicant's waiving of rebuttal. Ms. Vann stated that the applicant will waive the rebuttal period and allow the Council to vote on the matter.

Councilor RC reviewed his concerns over owner-occupied projects and allowing rental and leased units. It would allow a more open-door policy for light manufacturing businesses. He would support the project.

MOTION: RC/DM to read **Ordinance No. 99-2506 and Ordinance No. 99-2164** by title only. (Unanimous). TDM read the ordinance.

MOTION: RW/BV to adopt Resolution. (Unanimous). Motion carried.

Councilor FH said he wants to make sure that the annexation process if followed very carefully and requested that the Council receive an update of the process. TDM said that 60 days before the September 21st ballot, they will file the ballot measure. TDM said he will publish the documents and update in the Legal Bulletin.

3. Public hearing on the 1999-2000 Fiscal Year Budget

Mayor Cox opened the public hearing. Katherine Tri, Finance Director, reviewed the two step public hearing process. Ms. Tri presented overhead information involving the City's revenues and expenditures. She said that a third of the budget is capital projects (street, water and sewer projects, including bond sale for City Hall improvement). The general fund is about \$7M and primary source is from the property tax. In review, the City Manager proposes a reduced budget (slow down in the growth community which is having a general fund impact). She reviewed reductions, capital needs, and the 1.5% privilege tax. She asked that the Council review any concerns that it may have and adopt the budget at the June 21st meeting.

Councilor RC reviewed the new positions (new police officer). When the fire station was out for bid, it came in at \$120 per sq. ft. and then it came in at \$160 sq. ft. (\$40 per sq. ft. more). DRC said he was not clear as to the amount of the increase which caused "value engineering" reductions. DRC noted that the Fire Chief was the project manager for the project which was within the budgeted amount. Discussion was held concerning the impact on the project with the additional amounts (costs that went up). DRC reviewed the process on how the negotiation involved a process in which to build the project within the budget (tightly budgeted including the remodeling

of the original fire station along with the new station).

Don Schmidt and Rod Meade from the Fire Department provided testimony on the process and what the fire department's needs were and the negotiations entered into before the final price was decided. Mr. Schmidt said the \$120 per sq. feet price was the going rate for building the building, but during the interim, additional costs arose.

Ms. Tri stated that the staff and Budget Committee's recommendation was to adopt the budget which included the privilege tax.

Councilor RC addressed the City Hall issue (Capital Projects) which includes the completion of the fire facilities and City Hall, adding a capital projects engineer. Ms. Tri said that the City will be hiring a project engineer (\$15,000).

Ms. Kelli Highley, 619 S. River Street, Newberg, talked about the Privilege Tax and the Tax Payer's Alliance and provided a copy of the initiative to be presented to the voters. Ms. Highley addressed the reasons for the matter being originated as an Ordinance rather than a Resolution. Ms. Highley stated that any taxes or fees (new or increased beyond the cost of service or rate of inflation), have to go to the vote of the people. The tax goes to the vote of the people and also includes certificates of participation. It would also require language for any new measure to include the words "this is a tax". TDM reviewed the initiative being a portion of the franchise fee in the City's ordinances. TDM said that the group has put forward initiatives in the past and any comments or opinions made may conflict with the intent of the City's privilege tax.

Mr. Ronald Fulham, 3504 Vittoria Way, Newberg, sent letters to the Council and Mayor and DRC concerning his concerns. Mr. Fulham noted that the word "tax" does not appear on his PGE statement. He said that hidden taxes are unfair and would only serve to alienate taxpayers and voters. He would feel more comfortable if the City residents received written communication through the water bill or City newsletter.

Ms. Pat Haight, 501 E. Illinois, #12, Newberg, said she is disappointed that the public notice appeared that it would be approved tonight. Ms. Haight reviewed last year's budget amount and the reduction (\$238,000). Ms. Haight stated that she compared last year's budget that was published in the Newberg Graphic. She is concerned about the City's resources (budgeted \$36M). Ms. Haight asked if the \$10-\$11M budget includes the north side project.

Ms. Haight addressed the Legal Department budget. She also addressed how the City was writing off over \$300,000 for unpaid amounts due the Municipal Court.

Ms. Tri reviewed the concerns of Ms. Haight involving transfers and the requirements of transfers (\$2.8M). Discussion was held concerning supplemental budgets. The City Hall budget is \$3.4M. The north side project is being paid for by fees.

Mr. Warren Parrish, 30450 NE Wilsonville Road, Newberg, stated that he has concerns:

1. Maintenance. He is consistently confused on how the budget works in the maintenance area (including vehicle replacement). He suggests to have a maintenance budget for each department. He does not see the City's budget constructed this way which holds the employees

accountable.

2. Capital Projects. Mr. Parrish reviewed setting aside funds to purchase vehicles and equipment prior to the purchase and the need which may remove the necessity of supplemental budgets.

Ms. Tri said that the City's "garage" and other departments which utilize the vehicles/equipment and funds are set aside to pay for things at the water and sewer plants and other major capital projects. Discussion was held concerning the funding sources in the City's 20 year capital improvement project plan.

Councilor RW asked if there are any regulations that tell the City what to do in building up funds to provide for the purchase of future expenses. Ms. Tri discussed funding certain depreciated items. Mr. Parrish said that "maintenance" should include replacement and/or repair of anything within the specific department.

Mr. Bill Rohsacker, Chairman of the Downtown Redevelopment Committee, read a prepared statement concerning the May 24th Committee meeting which approved the use of the privilege tax. The Committee said the City's government remaining in the downtown core area and supports the privilege tax for the City Hall project.

Councilor LH said that the motion was to approve the funds to be used to fund the City Hall project only if funds were not available. In the chance there is not sufficient funds in the budget, the Committee wants to fund the project through the use of the privilege tax.

Mr. Rohsacker then commented on the City budget, as a contractor, the budget eliminates both the inspector positions. One of the inspectors moved to the supervisor position vacated by another staff member, which leaves the City with no inspector. Mr. Rohsacker reviewed the budget message. He said that staff members in the Community Development Department who have voiced negative responses to the elimination of the building inspector position. He also noted the estimated revenues and expenditures which may not be correct. The building inspectors are there for the benefit of the public. He said to terminate the building inspector during the building season is not right. DRC said Mr. Rosacker makes a good point. The decision is to size the services to match the revenues. His thought with this budget he is not necessarily going to lay someone off, but as long as the fees match the revenues, he is willing to go along. Discussion was held concerning the 4 day wait for an inspection. Mr. Soderquist said that he would like to have available an on-call individual to assist the City in completing the inspection. Discussion was held concerning balancing the budget and laying off employees.

Councilor RC said that hiring a capital projects engineer which can be done by another staff member, over a person who is producing income, may not be tomorrow, but there are projects in the works.

Allyn Brown, 515 E. First Street, Newberg, addressed supporting the privilege tax and the budget item to remodel City Hall as planned. He and Don Tarlow recently remodeled the former US Bank building. At this time, many people and businesses have stepped up to the plate and put in money in the downtown core area. He and his partners whole heartedly support the City's efforts in remodeling City Hall which will bring in others into the downtown core area. He suggests the

long term view to remodel the City Hall. The City is not receiving the tax revenue unless it was developed properly. As more people come to the downtown area, in the long run, the investment of remodeling City Hall will pay dividends. Discussion was held concerning future visioning by the City Council. He supports the privilege tax as proposed.

Mayor Cox closed the public testimony and called for a five minute break at 9:20 p.m. The meeting reconvened at 9:30 p.m.

DRC reviewed the comments made about the privilege tax. He referenced page 120 of the packet.

Councilor FH expressed concerns about joining the privilege tax and the approval of the budget. Councilor RW noted the various districts (School, the City and the Chehalem Park & Recreation District).

Councilor FH said he is glad to see new faces coming to the meeting to speak on the budget (including staff members). He apologized for not being able to fulfill the position of the Budget Committee Chairman, he had to work. He is concerned that they are inconsistent and he asked for clarification:

1. Proposed salary structure for each department: Does the budget reflect what the people are to be paid in the department. Ms. Tri said it does not include COLA or medical cost increases effective July 1, 1999.

Councilor LH asked about budgeting vacant positions at the top level. Ms. tri said that internal transfers are generally placed at a higher level than a new position. Ms. Tri said the medical costs are rated at a family rate due to the police union trust.

Discussion was held concerning not replacing the engineering position paid by the capital projects fund and the building official position being eliminated could be traded. DRC said the building official position should be paid from fees. DRC noted that the City of McMinnville is interested in sharing a building inspector with the City of Newberg.

Councilor DM said that if a building is needed to be inspected, other cities may be interested in sharing the costs of building inspection costs. Mr. Brierley said that the maximum time to complete an inspection would be two days and the City may need to hire a part time on-call inspector to handle the over-flow.

Councilor RC reviewed issues dealing with outside inspectors on a contract basis. Ms. Tri said that staff has been watching the building activity and the City can put in a contract employee and arrangement with other cities to cover the "as need" basis. Mayor Cox noted that the City should give the service, but limit the hours of inspections to reflect the level of service.

Councilor BV clarified the intent to set aside a certain amount for inspection contract purposes. Ms. Tri said that a capital projects engineer would cost about \$60,000. Discussion was held concerning the City Hall debt being about the same as the cost to fund the projects engineer. DRC said there is not as much development happening.

Councilor DM said that she notes that there has been a tax on the electric bill (\$5.50 per month).

The additional amount was presented at \$.89. In addition to the amount given, adjustments from Enron and "others". We all have been paying what is considered a privilege tax for other things. Councilor RW said that he has not received any negative comments about the increase. Councilor DM said that some of the businesses would like to see the project go ahead which would show a strong indication with helping build the downtown business core area. Councilor LH said she would like to see a "finite" term (through the remainder PGE's contract with the City 12-13 years, and would like to see it proposed as a solution to pay for the remainder of the City Hall remodeling costs. It is a specific tax for a specific purpose. The maintenance items need to be handled through the budget at a later time.

Councilor FH said that he could not in good conscience unless:

1. The bill received from PGE has to clearly state what it is. Is it possible? DRC said that it will state as such (identifies the source).
2. Notification, if approved, to the rate payers in some mechanism, whether on a preceding bill, or send out in newsletter.
3. Not comfortable with 13 year sunset clause which opens the door to be less than judicious in the future (re-evaluate in one year).

Councilor RC said to re-evaluate in one year would not complete projects. He is not in support of taxing the community without asking the citizens. Councilor RC discussed predesignating funds for other projects.

Ms. Tri said the bonds will be guaranteed by the general fund.

Councilor BV said the viable means is that it is relatively low impact to the community as a whole, but he is concerned what could happen with the funds once targeted items are paid for. He liked Councilor LH's statements concerning specifically targeting projects and any excess be retained in a reserve for when the tax is no longer received. Discussion was held concerning the lack of providing for future maintenance and replacement of capital improvements. Councilor RW said the Council is accountable for their decisions.

Councilor RC said to remember one thing, that roof structure is over-stressed and what they are presenting to do is leaving the roof structure and remodeling the walls.

Councilor FH said he wants something less than 13 years. Future Councils will probably not look at the situation until the matter is re-evaluated some time in between. DRC said the City Hall project would take 10 years to pay for the project (\$587,000 short for the project). Councilor RW suggested that a manual report be provided to the residents. Councilor FH said that he would like to see language that sometime in the future to trigger to come back before the Council as an item for discussion (mandated by future Councils).

Councilor DM wished to have the opportunity to have this type of in depth evaluation at the Budget Committee level which included some citizen input. DRC said he will bring back the comments and revisions. DRC asked whether it would be \$124,000 or \$62,000 which would go for a period of five years and be completed. Ms. Tri said that staff will review the options

available to the Council for their review.

- A. **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.
- B. **Resolution No. 99-2186** adopting the City budget.

The matter has been continued to the June 17th meeting.

MOTION: FH/DM to table the matter to the next meeting.

- 4. Public Hearing on Comprehensive Plan and Development Code changes relating to the Transportation Plan Rules. **Ordinance No. 99-2513.**

Councilor RC discussed the TPR committee meeting, public input and the summary to be included. Councilor FH said he believes that the Council should not rush through the process.

Councilor FH withdrew his motion. Councilor DM withdrew her second.

Mr. Brierley reviewed dwelling units in the downtown area (page 220 (Section 14), allowing dwelling units in the ground floor area and allows existing buildings, don't have to have parking "on site". It is important because:

- 1. The Downtown Redevelopment Committee has noted that dwelling units in the downtown area is important (pedestrian awareness).
- 2. Strict ADA compliance requires that ADA accessible units on the ground floor, allows other units in the upper floors.

Mr. Brierley recommends approval of Section 14: Table of permitted buildings and uses on the C-3 zone, Section 10.40.364, amendment.

Mr. Rohsacker, Chairman of the Downtown Redevelopment Committee, said the Committee approves the changes to the residential use of the downtown core buildings.

Councilor RC said he does not agree with bending the rules that everyone else needs to comply with. Other City buildings have to be in compliance. Discussion was held concerning the problems with revitalization, some changes need to be made and the stronger feeling of ownership.

Councilor BV left the meeting at 10:30 p.m.

Discussion was held concerning separating Section 14 and adopting the decision (preparation of findings of fact as a whole package).

MOTION: LH/FH to table it to the June 21st meeting. (5 Yes/1 Absent [BV]). Motion carried.

VII. CONTINUED BUSINESS

1. Move to consider extension of current Newberg Urban Area Growth Management Agreement to meeting on June 21, 1999. (Tabled from May 17, 1999)

Mr. Warren Parrish, 30450 NE Wilsonville Road, Newberg, asked the termination date of the agreement (June 30th). He referenced the worst case scenario of the last paragraph losing all the taxes.

MOTION: RW/RC to table to June 21st. (5 yes/1 Absent [BV]). Motion carried.

VIII. NEW BUSINESS

1. **Resolution No. 99-2183** approving the bid for Sewage Pump Station improvement and Forced Main extension.

Mr. Mike Soderquist provided the staff report. Only two bids received was \$40,000 higher than the budget. Staff recommends postpone the decision for later in the year and rebid the job in the winter.

MOTION: RC/

Councilor DM asked for the costs if the City does not do the project. Mr. Soderquist suggested a cost breakdown and only received updated information a few days ago. He feels the contractors are not as hungry and anticipates bidding out the project again in October, 1999. Discussion was held concerning the City's liability in costing the City more than the \$40,000 over estimate.

MOTION: FH/LH to postpone indefinitely. (5 yes/1 Absent [BV]). Motion carried.

2. **Resolution No. 99-2184** authorizing the City Manager to enter into a construction contract, in the amount of \$66,077.00 with Colamette Construction to remodel the Public Works Facility.

Mr. Soderquist said the bids were taken earlier. They have negotiated the bids and staff requests the City Manager's authority to enter into the contract.

Ms. Kelli Highley, 619 S. River, Newberg, said she questions which was budgeted first, the animal shelter or the public works facility. Mr. Soderquist said the animal shelter was contingent upon the sale of the property where the facility lies. Ms. Highley said the public works building is still functioning, but the animal shelter is not. She feels the priorities are off. She encouraged the Council to view the animal shelter.

Councilor RC said that as far as he is concerned, it puts the City in the possibility of a lawsuit due to putting things out to bid when all bids are over the budgeted bid amount. Councilor RC said that the City appears to give a lot of business to Colamette Construction. TDM reviewed the process for engineering estimates and going with the lowest bidder. The City accepted the lowest bid and cut out a specific portion.

MOTION: FH to adopt Resolution 99-2184. (4 Yes/.1 Absent [BV]/1 No [RC]). Motion carried.

3. **Resolution No. 99-2185** adopting the 1998-99 Supplement Budget #3.

Ms. Tri reviewed the staff report. Councilor FH asked about the expenditures and cash flow reserves.

MOTION: RW/FH to approve. (5 Yes/1 Absent [BV]). Motion carried.

4. By-pass support.

DRC reviewed the information contained in the memo dated June 1, 1999. Discussion was held concerning funding the Newberg By-pass and livability in Newberg and getting the traffic out of the center of town and make sure the project gets in the State's budget this year. Mayor Cox said he agrees to support the project. Councilor RW said that a letter to Senator George should be sent to correct the notation that Senator George is from "Newberg". He cannot support giving \$7,500 to give to some lobbyist. Discussion was held concerning a regional and "southern" bypass. Mayor Cox the City is choosing to help fund the moving forward of the bypass project and not choosing one way or the other. Councilor RW said he would agree to sign the letter as President of the Council, but Senator George's verbiage is damaging to the cause. DRC said the authorization should be to direct the Council President to sign a letter on behalf of the Council. Councilor FH expressed concerns over the payment of funds to an individual that would not be conducive to the cause.

Councilor DM said that a local bypass proposal and with the efforts the Parkway Committee has been doing, may help move the entire project off the ground. There are other funds available coming from private industries as well.

MOTION: RW/LH to adopt. (5 Yes/1 No RC/1 Absent [BV]).

MOTION: RC/FH to adjourn; 11:05 p.m. (Unanimous). Motion carried.

IX. EXECUTIVE SESSION

1. Executive Session Pursuant to ORS 192.660(1)(d) Relating to Labor Negotiations

X. ADJOURNMENT

ADOPTED by the Newberg City Council this 6th day of March, 2000.



Duane R. Cole, City Recorder

ATTEST by the Mayor this 14 day of March, 2000.



Charles B. Cox, Mayor