

MINUTES OF THE NEWBERG CITY COUNCIL
APRIL 21, 2003
7:00 P.M. MEETING
PUBLIC SAFETY BUILDING - TRAINING ROOM

I. CALL MEETING TO ORDER

Mayor Stewart called the meeting to order.

II. ROLL CALL

Bob Andrews

Bob Larson

Doug Pugsley

Roger Currier

Mike McBride

Robert Soppe

Others Present:

James H. Bennett, City Manager

Terrence D. Mahr, City Attorney

Michael Soderquist, Community Development Director

Dan Danicic, City Engineer

Katherine Tri, Finance Director

III. PLEDGE OF ALLEGIANCE

The pledge of allegiance was administered.

PUBLIC MEETING SECTION

IV. PUBLIC COMMENTS

Darlyn Adams, 131 Johanna Court, Newberg, Oregon, presented the Animal Shelter Friends report. Ms. Adams provided information concerning the upcoming silent auction (Wags and Whiskers) on Saturday, April 26, 2003 and said they have over 175 items up for auction. The next Animal Shelter Friends meeting is scheduled for Thursday, April 24, 2003 at 7:00 p.m. at the Public Safety Building. They have sold \$2,500 in bricks. They will be discussing an upcoming garage sale. Ms. Adams discussed the police and fire department truck and vehicle rides that will be offered at the auction.

Councilor Pugsley addressed the opportunity to operate the fire truck siren.

V. CONSENT CALENDAR

1. Approve appointment of one member to Citizens Rate Review Committee member: Lou Larson

2. Approve appointment of members to the Newberg-Dundee Library District Planning Committee. The committee composition was designated as three City of Newberg residents, one Dundee resident, one rural resident (Chehalem Valley), and two from any of the areas above.

Dundee Resident: Cindy Roberson, Dundee City Councilor
Rural Resident: Paul Jellum, retired school administrator
Rural Resident: Allyn Brown, attorney
Newberg Resident: Sam Farmer, George Fox University
Newberg Resident: Donna McCain, former council member, CPRD Board member
Newberg Resident: ~~Kathleen Jones, Library User~~ (Withdrew)
Newberg Resident: ~~Teresa Arnold, Library User~~ (Withdrew)
Alex Rolfe, Library User

3. Motion to approve a sound permit for the First Baptist Church music concert on June 21, 2003.
4. Motion to approve letters of support to seek federal funding for Community Center Renovation and Civic Corridor street scape projects.

MOTION: Soppe/McBride to approve the consent calendar.

Councilor Currier asked how the street benches and bike racks would be obtained (through bids or catalog) and said that there are local artisans who specialize in this kind of work that the City should give preference to. Mr. Bennett said the City would certainly want to involve local businesses in making improvements to the downtown and possibly save money in doing so. Mayor Stewart said that at this point the street furnishings (benches, lighting, etc.) were just examples of what could be installed in the downtown. Discussion was held concerning street trees and whether or not they included installation/labor.

Councilor Soppe asked how firm the budget is and whether it would be revisited. Mr. Bennett said that any revisions or alterations will be reviewed by the City Manager if they are under a specified amount and they can be reviewed by the Council at a later date at the time the improvements are to be made.

Councilor Pugsley asked that the Mayor introduce the Library Board applicants. Ms. Donna McCain was at a Budget meeting.

Mayor Stewart said the Library Director is working on filling the final position.

VOTE ON MOTION: Soppe/McBride to approve. (5 Yes/1 No [Currier]) Motion carried.

Mr. Chris Brown introduced himself as a representative from a company which installs photo red light and photo radar equipment. He said he had heard that the City may be interested in the

program. Mayor Stewart said he will give the information to the Police Chief. The Police Chief will report back to the Council.

VI. PUBLIC HEARING

None.

BUSINESS MEETING SECTION

VII. CONTINUED BUSINESS

None.

VIII. NEW BUSINESS

1. Appointment of Council President - Review current process and appoint by motion a Council President.

Councilor McBride said 4 months is too short a period and would like to change it to 6 months.

Councilor Soppe said that his concern was not to create a burden upon an individual who is chosen to serve as Council President.

Councilor Currier said he was disappointed that the Council President did not attend the joint Planning Commission and Council meeting. Mayor Stewart said that the Council President has other duties with School Board and that it is budget time for that board also. Councilor Larson said he attended the meeting that he is elected to go to has also had some family medical commitments to attend to. Discussion was held concerning the meetings or events the Council President would need to attend.

MOTION: Soppe/Currier to reappoint Bob Larson for another 4 month period (Unanimous)
Motion carried.

2. Adopt **Resolution No. 2003-2439** authorizing the issuance of revenue bonds for the purpose of financing the acquisition, construction, installation and equipping of facilities for the City's sewerage system.

Ms. Katherine Tri, Finance Director, reviewed the funding for the 2003-04 budget for sewer capital projects through the issuance of revenue bonds Mr. Dan Danicic, City Engineer, was in attendance to answer technical questions. Ms. Tri reviewed the funds used during 2002-2003 for these projects. The bond would be for \$3 million, but not all of that would have to be obligated. It will depend on the actual cost of the projects which could be as low as \$2.3 million. Ms. Tri addressed future capacity and growth needs.

Councilor Currier said that he thought they over-sized the line from the end of College to Green Valley. Mr. Danicic said it did not go up that far on College. Ms. Tri thought it was south of Illinois Street (railroad track area). Councilor Currier thought it was around Foothills Drive to

Hwy. 219. Mr. Danicic said there were some storm drainage improvements done around the retirement center.

Mayor Stewart asked Mr. Danicic to research the last time sanitary sewer was extended in College St.

Ms. Tri reviewed the 2003-04 capital budget for the projects:

Composter - \$1,067,000

Headworks - \$653,000 to do both screens

College St. - \$940,000

Staff is recommending a bond of \$3M to get the best rate. A bond of either 10 or 15 years will be considered. Before going to the bond market, they will come back to the Council for final approval. The existing sewer bond expires in September 2004. The new bond will be a substitute and will not cause any rate increase. The first payment will be a little tight and Ms. Tri is revisiting the budget to make sure the funds are available.

Councilor Currier asked Mr. Danicic if it was realistic that putting in two screens with a bypass costs 2/3 of the cost of College Street? Mr. Danicic reviewed the differences between the headworks and the College St. interceptor projects. He said the bidding process could possibly lower the cost.

Councilor Soppe wanted to confirm that staff will come back to the Council with bids and the details of the projects. He said it needs to be clarified that the new bond would not have any current impact on sewer rates. However, this could change in the future.

Councilor Larson addressed the bond legal notice and the success rate of the sale of the bonds due to the economic times. The market is pretty good and there are record low rates. Revenue bonds carry a higher interest rate and will pledge sewer revenues -sufficient debt service to pay the bonds over the term of the bond period. Discussion was held concerning requirements for revenue bonds and the potential for sale of the bonds in light of the competitive bid process. People are still interested in tax free municipal bonds. When rates start going up, municipal bonds are sometimes affected.

Councilor McBride addressed the fees charged to do the bond process which requires an official statement. There are underwriter costs. Discussion was held concerning the College Street project and whether or not it should be bid out. Mr. Danicic said they are designing it in-house, but the project would be constructed by an outside firm.

Councilor Soppe addressed the differences in going with a 15 year bond rather than 10 year bond. Ms. Tri said she is recommending a 15 year bond.

Councilor Andrews addressed the resolution (2003-2425) adopted for the composter project. Is work previously done on the project considered pre-issuance expenditures? Ms. Tri said yes.

Discussion was held concerning reimbursement for pre-issuance expenditures financed through proceeds of bonds. Ms. Tri said we can reimburse ourselves, but it is not the intent to reimburse the City. Discussion was held concerning changing the word "will" to "may". Discussion was held concerning the City's bond rating and pledging sewer revenues to pay the sewer bond. Why is the City looking at a revenue bond rather than a general obligation bond? A general obligation bond requires a vote with a double majority and obligates property taxes to pay for the bond. What is it that Ms. Tri wants the Council to do tonight? Ms. Tri said she wants to approve the Resolution to authorize the publication of the 60 day notice in the newspaper.

Councilor Soppe addressed general obligations bond versus revenue bonds. Discussion was held concerning payback from property taxes. Ms. Tri said the existing sewer bond is a general obligation bond. If there were insufficient revenues from sewer charges, they could rely upon the property taxes.

Tape 1 - Side 2:

Councilor Andrews asked for clarification of the changes to the resolution. City Manager Bennett noted that paragraph 3 would be changed to reflect the new project cost of \$2,600,000 and paragraph 7 would be changed to substitute the word "may" for the word "will" in three places that refer to reimbursement for pre-issuance expenditures.

MOTION: Soppe/Pugsley to adopt **Resolution No. 2003-2439** authorizing the issuance of revenue bonds for the purpose of financing the acquisition, construction, installation and equipping of facilities for the City's sewerage system, as amended to reflect the changes to paragraph 3 and paragraph 7 of the resolution. (Unanimous) Motion carried.

Councilor Soppe asked time to address some additional issues. A general discussion followed of events that the Council could attend to have a more visible presence in the community and to provide more access to the Council by the public. Suggestions included having a booth and regular hours during the Old Fashioned Festival, attending summer block parties, the Mayors' Prayer Breakfast, Harvest Festival, Turkey Carnival, Pancake Breakfast and participating in neighborhood watch program. It was also suggested considering shirts, blazers, parkas, etc. for the Council with their names and the City logo. The idea of assigning Council members as liaisons to other committees and commissions was discussed along with reviving some of the Council standing committees and looking at a Police or Fire Commission.

Councilor Currier initiated a discussion of the timing of street improvements on Main Street. This involves non-remonstrance agreements for inclusion within an LID and deferred improvements agreed to by developers who pass on this requirement to homebuyers. There was discussion of what should trigger creation of an LID, who should make the decision to proceed, and when improvements like curb, gutter, sidewalk, drainage should be required to be constructed.

Tape 2 - Side 1 -

Councilor Currier referred to existing non-remonstrance agreements where staff elected not to require street improvements to be built. Mr. Bennett said he would like to know the particulars of those cases.

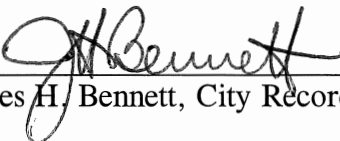
IX. EXECUTIVE SESSION

None.

X. ADJOURNMENT

MOTION: Pugsley /McBride to adjourn at 8:45 p.m. (Unanimous) Motion carried.

ADOPTED by the Newberg City Council this 19th day of May, 2003.



James H. Bennett, City Recorder

ATTEST by the Council President this 20th day of May, 2003.



Bob Larson, Council President