

MINUTES OF THE NEWBERG CITY COUNCIL
JUNE 16, 2003
7:00 P.M. MEETING
PUBLIC SAFETY BUILDING - TRAINING ROOM

I. CALL MEETING TO ORDER

Council President Robert Larson called the meeting to order at 7:00 p.m. Mayor Bob Stewart was not in attendance.

II. ROLL CALL

Bob Andrews	Mike McBride
Roger Currier	Bob Larson
Doug Pugsley	Robert Soppe

Absent: **Bob Stewart, Mayor**

Others Present:

James H. Bennett, City Manager
Terrence D. Mahr, City Attorney
Michael Soderquist, Community Development Director
Barton Brierley, City Planner
Leah Griffith, Library Director
Robert Tardiff, Police Chief

III. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was performed.

PUBLIC MEETING SECTION

IV. PUBLIC COMMENTS

Darlyn Adams, Newberg Animal Shelter Friends, 131 Johanna Court, Newberg, OR , presented the Animal Shelter Friends report. Ms. Adams discussed the Old Fashioned Festival planning and the spaghetti feed and bingo event in August or September. The fund balance is \$88,588. The next board meeting is scheduled for Thursday, June 19, 2003.

V. CONSENT CALENDAR

1. Visitor Information Center Report from Newberg Area Chamber of Commerce. 3rd Quarter - January, February & March, 2003 (Ann Dolan, Chamber Director)

Ms. Ann Dolan, Chamber Director, provided a corrected copy of the report. They have curtailed their expenses. The web hits are at 18,000 web hits a month compared to one year ago

at 4,000. Ms Dolan said she cannot explain the increase in the amount of web hits.

Councilor Soppe asked for clarification of the expenditures and funds from the City for the Visitors Center. Discussion was held concerning expending the amount budgeted for the year. Ms. Dolan said that the budget was created about 5 years ago. The money budgeted from Chamber revenue is not available.

Councilor Pugsley noted the phone and visitor numbers have increased and he hopes they continue. July - December were lower than the previous year. The increases occurred in January, February and March.

Councilor Currier asked about providing more opportunities for visitors to come to Newberg. Wouldn't that be something that the Chamber membership should be doing to promote business? They should raise the dues to keep their budget in line with actual expenses. The City is in a budget constraint at this time. Ms. Dolan said there are visitors that come into the community who pay a 6% room tax. At one time the Chamber received a larger percentage of this and they are seeking an increase this year. Discussion was held concerning the income generated from visitors.

2. Motion to approve a sound permit for the Relay for Life event on June 20 & 21, 2003 at Newberg High School Track.

MOTION: Andrews/Soppe to approve the Consent Calendar. (Unanimous) Motion carried.

VI. PUBLIC HEARING

1. Legislative hearing on the 2003-04 City Budget and State Revenue Sharing. Adopt **Resolution No. 2003-2450** adopting the City Budget for 2003-04 fiscal year.

Ms. Katherine Tri, Finance Director, presented the staff report. The Budget Committee met 6 times and approved the budget on May 27th. It includes about \$8M in capital projects. They anticipate no rate increase in sewer and water rates. It allows for a storm water management fee which is subject to further review and consideration by the Council. The state gas tax distribution will pay for maintenance only. The EDRLF has about \$458,000 for loans. A combination of revenue increases and cuts in expenditure was needed to balance the budget. There are two changes that did not surface until after the Budget Committee had completed their work:

1. The Fire Department recently was notified of a grant that the City will receive for \$22,000.
2. \$125,000 for constructing an enclosed, insulated steel frame building to house various large rolling stock at the Public Works Yard.

City Manager Bennett noted that one of the issues discussed at the Council work session on June 2nd was the issue of the COLAs that were removed for about 37 full- and part-time General Fund employees in order to balance the budget. One of the proposals considered was to affect a transfer of funds from water and sewer reserves by setting up an in lieu a franchise fee that would be a revenue neutral method of restoring the COLA for this year. The fee would not be on the

customer bill and would amount to less than 1%. This would allow all City employees to be treated equitably. It would also lay the groundwork for the establishment of an employee management committee that would look at employee compensation (health insurance, COLA, merit pay and other work place conditions). The committee would develop a long term strategy for addressing employee compensation issues. There is an amended resolution that has been distributed with specific language to restore the COLAs. Central Services and the water and sewer reserves would absorb this cost.

Michelle McManus - no comment.

Barbara Mingay, 22915 NE Highland Drive, Newberg, City employee since 1980. Since they have started, they have felt all employees were equal rather than in separate classes. She agrees with the proposal from the City Manager.

Marianne Schluter - no comment

Tim Weaver, property owner in City and employee of City since 1978, PO Box 764, Newberg:

Has been an employee for 25 years. This affects only about 33 of the employees (29 FTE). This group is isolated in the General Fund and it may cause a rift between other employees. One of the greatest assets is the City employees. In the 1980 recession, the employees reduced COLAs and raises and were working with the City to keep jobs. However, one point did establish itself. It was and remains the belief of honesty and fairness for all employees. They request the Council support the staff's recommendation. Discussion was held concerning morale issues. Several are due to retire in 1-3 years. Some are within a few months of their retirement. This affects Tier 1 and Tier 2 employees. The Council should consider the value to the City of the part time employees. Finally, the Council should consider belt-tightening for all employees and citizens. The COLA is not a raise but a cost of living adjustment. Recently he read former NY Mayor Giuliani's book "Leadership" which reflected on the 9/11 incident. There was a strong sense of confidence where the citizens and City employees rallied to get the job done. We request the Council maintain its fairness and long time commitment to the City employees.

Mike Gougler, 5241 Windsor Terrace, West Linn, Oregon, addressed the delay of the population and housing study. The City needs to plan for the future and should retain the delay of the population and housing study. He also addressed the importance of the funding for police cars. There is a business license fee being discussed. He is in support of the business license fee because he the City needs to exert more control over who does business in the City and make sure that they are properly licensed.

Discussion was held concerning the business license requirements and the rules for street vendors. In fairness to the business owners and their overhead, competitors on the street corners do not have the same expenses. There are temporary vendor licenses. Mr. Bennett said he was encouraged about the strong support for the business license creation.

Councilor Soppe noted that 55% (Mr. Gougler said the vote was 41 yes and 51 no of the approximately 400 voting members of the Chamber) voted against the business license fee. He was surprised that they would not want the additional revenue to go to the visitor center and economic development.

Councilor Currier said he was concerned about changing the decision of the Budget Committee and he would have liked all 12 budget committee members to be there . It came down to either removing the COLAs or a cap on health insurance.

Tape 1- Side 2:

Councilor Larson said he agreed that it would have been nice to have both the employees and the Budget Committee members.

Councilor McBride said he did not want the employees that the Council felt that any city employee was second class or different from any other employee = rather than lay anyone off. They are going to look at other fair options and he would have hoped to somehow look at it as looking together to hold fast to the community's involvement in the city employees and their devoted service. Discussion was held concerning a health care cap which may affect all employees rather than a select few.

Ms. Tri said that in a year, they would hope to find out the resolution of the PERS issues presently before the state.

MOTION: Andrews/Soppe to amend **Resolution No. 2003-2450** adopting the City Budget for 2003-04 fiscal year as recommended by Ms. Tri and Mr. Bennett. (Unanimous) Motion carried.

MOTION: Pugsley/McBride to adopt **Resolution No. 2003-2450** adopting the City Budget for 2003-04 fiscal year as amended. (Unanimous) Motion carried.

Councilor Andrews asked for clarification of the tax rate. Ms. Tri stated the City's permanent tax rate.

Councilor Currier asked if the item for the business license remained in the budget? Ms. Tri said that it was, but that the adoption of a business license would come back to the Council for discussion and possible adoption.

2. Legislative hearing on Supplemental Budget #2 - adopt **Resolution No. 2003-2451** adopting Supplemental Budget #2 for Fiscal Year 2002-03.

Ms. Tri reviewed the supplemental budget information. Ms. Tri said that the street fund has been subsidizing the engineering and street maintenance staff costs. The supplemental budget recognizes and appropriates \$43,461 in various funds and transfers and re-appropriates \$54,361. Discussion was held concerning the increase in residential housing permits. There is only one plans examiner on staff. The budget includes another inspector/plans examiner.

MOTION: Currier/Andrews to adopt **Resolution No. 2003-2451** adopting Supplemental Budget #2 for Fiscal Year 2002-03. (Unanimous) Motion carried.

BUSINESS MEETING SECTION

VII. CONTINUED BUSINESS

None.

VIII. NEW BUSINESS

1. Adopt **Resolution No. 2003-2452** approving new animal shelter fees.

Ms. Tri said that the Budget Committee suggested increasing animal shelter fees. The Animal Control Officer (Darlene) said that they reviewed the animal fees for Washington County and Yamhill County. They took the current schedule and made changes. They are trying to be close to what Yamhill County's fees are. They estimated this will bring in \$4700- \$7500 which is more than what they anticipated.

Councilor McBride asked if dog owners would still have to go to Yamhill County to be licensed. The proposal does not include licensing fees. Police Chief Tardiff said he has talked with Yamhill County about the amount the City receives and what the expenses are for handling Newberg's dogs. Most licenses are sold by local vets. Discussion was held concerning collecting higher fees.

Councilor Currier said the adoption fee schedule for cats and dogs was different. Ms. Tri and Mary Newell said the fee for adoption is \$30 which does not change. Discussion was held concerning how the rates vary for cats and no refund for neutering them. Ms. Newell said there are some adoptions of the more expensive cats.

MOTION: Pugsley/Andrews to amend **Resolution No. 2003-2452** approving new animal shelter fees regarding rates for neutered cats. (Unanimous) Motion carried.

MOTION: Andrews/Soppe to adopt **Resolution No. 2003-2452** approving new animal shelter fees as amended. (Unanimous) Motion carried.

City Manager Bennett reminded the Council that the June 18th work session on storm water fees would be held at the Public Safety Building at 7:00 p.m.

IX. EXECUTIVE SESSION

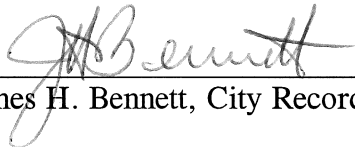
1. Executive Session Pursuant to ORS 192.660(1)(d) relating to Labor Negotiations.

X.

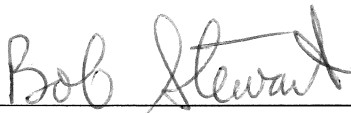
ADJOURNMENT

MOTION: Currier/Pugsley (Unanimous) Motion carried.

ADOPTED by the Newberg City Council this 21st day of July, 2003.


James H. Bennett, City Recorder

APPROVED by the Mayor this 30 day of July, 2003.


Bob Stewart, Mayor