MINUTES OF THE NEWBERG CITY COUNCIL
TUESDAY, FEBRUARY 17, 2004
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	Roger Currier
Bob Larson	Mike McBride
Doug Pugsley	Robert Soppe

III. *PLEDGE OF ALLEGIANCE*

The pledge of allegiance was performed.

PUBLIC MEETING SECTION

IV. PUBLIC COMMENTS

Darlyn Adams, 131 Johanna Court, Newberg, Oregon, reviewed the Animal Shelter Friends report. Ms. Adams reviewed the $100,00 celebration on February 28 at the Community Center; $101,835.03 fund total; yard sale April 23-24 at Zion Lutheran Church; silent auction on September 25 at the Armory. She is negotiating a dance instructor for line dancing. Their goal for this event is $10,000. Christmas open house is December 11-12. Next meeting is February 26, 2004 at the Public Safety Building. The architect and the mechanical engineer are meeting to come up with an estimated cost for the shelter in April.

V. CONSENT CALENDAR

1. Approve Council minutes for regular meeting held on January 5, 2004.

Councilor Soppe addressed additional language to be inserted at the top of page 2 as follows:

"Councilor Soppe said he also had a conversation with the business owners over the same situation last summer and they discussed material facts regarding this."

MOTION: Currier/McBride to approve as amended. Unanimous. Motion carried.

VI. PUBLIC HEARING

None.

BUSINESS MEETING SECTION

VII. CONTINUED BUSINESS

None.

VIII. NEW BUSINESS

1. Motion to accept the Annual Financial Report for the fiscal year ending June 30, 2003. (Presented by Parry Ankersen, auditor from Pauly, Rogers & Co. P.C.)

Mr. Parry Ankersen presented the audit report. Mr. Ankersen reviewed the reconciliation of financial statements on a cash/near cash basis that has been traditional. What we end up having is a bifurcated financial statement and is confusing. He provided a handout of key financial information. The City has special revenue funds. The water and sewer funds fluctuate .The sewer operation showed a profit but had losses for prior years. The financial statement changes are prepared by the City staff and the auditor only reviews the statements.

Elaina Canutt, Assistant Finance Director, reviewed the financial statements which are in compliance with GASB 34 government accounting standards and discussed the following changes:

- New section on Management Discussion and Analysis
- New statements covering net assets and activities
- reclassifications and consolidation: proprietary and revenue funds reclassified) (3 water funds and 3 sewer funds)
- Complying with GASB 34 required over 7 months mostly researching costs of infrastructure (streets, pipes, etc.) and assigning them a value. Hired Larry Anderson to help with this and got information from PGE on street lights.
- Long term debt for governmental activities is now shown along with amount due
- Reformat of other statements to focus on major funds
- Brief description of the basic financial statements, including the relationship for the statements to each other and significant differences in the information that they provide
- Condensed financial information derived from the government wide financial statements comparing the current year to prior year
- Analysis of government's financial position
- Analysis of balances and transactions of individual funds
- Analysis of significant variations between original and final budget amounts
- Description of significant capital asset and long term debt activity during the year
- Description of currently known facts or decisions or conditions that are expected to have

significant effect on financial position or results of operation.

Program Revenues -
- Charges for service
- Operating grants and contributions
- Capital grants and contributions
- Central School grant. **Councilor Currier** noted that the City does the accounting and passes the grant through to CPRD. He discussed recovering the grant costs from CPRD.

Governmental Funds - Statement of Revenues, Expenditures and Changes in Fund Balances.
- Operations in the General Fund resulted in a positive fund balance of $398,958 due to higher than expected building permit activity and planning fees at the end of the 2003 fiscal year.
- EDRLF came out ahead due to some significant loan payoffs in 2003.
- Gas tax street fund struggled to fund minimum operations in 2003, Gas taxes from the state were insufficient to cover costs.
- Other funds had positive op0reations for 2003.\

Proprietary Fund Financial Statements (Pages 28-33) -
- Somewhat similar to prior year except for the following:
- Water and sewer funds have been fully consolidated (4 water funds, 3 sewer funds)
- Emergency medical services was reclassified from a special revenue fund to a proprietary fund (user fee supported activity).
- Discussion was held concerning various reserves and cash held

Other Noteworthy Differences:
- Discussion was held concerning the cable tv fund and library trust funds. The order of information after the Notes is somewhat different. The city was also required to undertake a single audit because of the Central School project.

Councilor Soppe asked about the fiduciary net assets involving cash equivalents not just cash. They are not custodial assets and not part of the city's assets (retirement). Mr. Ankersen said it includes notes - money market and commercial paper - liquid assets to retirees.

Councilor Soppe asked about water rates being substantial to cover the increases. **Ms. Cancutt** suggested that he contact Kathy Tri, the Finance Director. **Community Development Director** Soderquist said that the Citizens Rate review committee will be meeting next month. **Mr. Ankersen** said that the lines above the depreciation and amortization show $339,000 and rates may be set more on a cash basis rather than on a full cost recovery basis. **Ms. Canutt** said the consultant was provided with the assets and depreciation expenses.

Tape 1 - Side 2:

MOTION: Larson/Andrews to accept the financial report as presented. (Unanimous). Motion carried.

2. Motion to set a Public Hearing on March 15, 2004 to hear an appeal on the Aaron Way Appeal Traffic decision regarding prohibited parking on a private street.

Mr. James Lancaster, 170 Aaron Way, Newberg, requested that the hearing be held at the first Council meeting in April. He will be out of town on March 15. He would like 30 minutes to testify.

City Attorney Terry Mahr said there is a decision to make on whether to allow public testimony at the hearing. The Council has that option as this is not a land use matter. Discussion was held on hearing the matter at the April 5th City Council meeting. **Councilor Currier** said that the Council had voted to only hear appeals on the record. **City Manager Bennett** said that this applies to land use appeals only. This is a limited traffic matter and only comes to the Council upon appeal.

Councilor Soppe asked, if staff testifies in response to questions from the Council without allowing any rebuttal, is the Council accomplishing anything? **Mr. Bennett** said staff is not providing testimony but is responding to questions of fact from the Council that are not subject to rebuttal.

Councilor Currier asked about the 30 minute comment. Discussion was held concerning the tine limit. **Mr. Bennett** said the Mayor can set the limits on testimony based on the number of people in attendance.

MOTION: Larson/Andrews to set the matter for a public hearing on April 5, 2004 to hear an appeal of the decision of the Traffic Safety Committee to prohibit parking on Aaron Way and to allow public testimony. 5 Yes/1 No (Pugsley). Motion carried.

3. Motion to approve appointment of members to the ad hoc Library Long Range Planning Committee:

Owen Lowe	M. Karin Schneider
Kim Boyd	Dana Watson
Donna McCain	Beth Walton
Berk Moss	

Leah Griffith said they were moving along with their long range planning goals. They are looking at an 8 month process and will bring a plan to the Council for its input. Karin Schneider does live outside the City and does not live in the City limits of Dundee. Beth Walton lives off Wilsonville Road (still in Yamhill County).

Councilor Andrews noted that some of the forms used in the applications still contained the old questions asking for personal information about spouses. **Ms. Griffith** said she will delete that portion of the form. **Mr. Bennett** said they had addressed this with the departments earlier, but that this one must have got missed.

Councilor Soppe asked if the committee had a target member of 7. Ms. Griffith said that they had wanted 5-8 members in order to have a certain critical mass for discussion. There will be an additional person recruited, hopefully someone from the Latino community.

Councilor Andrews noted it would balance it out to have future recruitment from the City of Dundee residents. **Ms. Griffith** mentioned some difficulty in getting applicants from Dundee. **Councilor Soppe** said not to spend hours trying to appoint someone. She will send notification to the Dundee City Council in the future.

MOTION: Pugsley/Larson to appoint the recommended individuals to the Library Long Range Planning Committee. (Unanimous). Motion carried.

4. Motion for Council initiation of appeal of the Planning Commission decision on T-Mobile cell tower application and set a public hearing on March 1, 2004.

Mr. Bennett said that T-Mobile sent in a waiver of the 120 day rule. This matter has been removed from the agenda.

5. Approve **Resolution No. 2004-2487** authorizing the purchase of Self-Contained Breathing Apparatuses (SCBAs) for the Newberg Fire Department from grant funds from the National Fire Act Grant and exempting such purchases from the requirements of Newberg City Code, Chapter 34, entitled "Purchasing and Contracting."

City Attorney Mahr presented the staff report. Fire Chief Sherman was available to answer questions. Why the last minute decision to tag on? Chief Sherman said that they wanted to be able to spend all of the grant money available before the grant expires. They decided to use the money to replace and buy new SCBAs as well as additional Fire Prevention materials. Some of the SCBAs will be housed at Station 21. Discussion was held on the total amount of the grant $261,200 and that the City's matching amount was $26,120. Of the total, $242,010.67 will be spent on the SCBAs and $19,189.33 on fire prevention. For the matching funds, they have $25,000 in the line item plus $10,000 that was donated to them. There are 55 SCBAs to be replaced to current safety standards. The old equipment has to be declared surplus and can be sent to other agencies if needed. However, the market is pretty saturated and they could be sent to Mexico. The bottles are 15 years old. The Hazard House is taken into classrooms and senior centers and demonstrates smoke alarms, electrical hazards, exit ways and what happens in a fire. It is an interactive power point program.

Chief Sherman said he goes to the schools once or twice a year to make a presentation.

Mr Mahr suggested:
- adding language regarding intrastate governmental agreements;
- amending paragraph 11 to specify that after purchase of SCBAs remaining funds will be spent on fire prevention;

- adding language authorizing and delegating to the City Manager the authority to negotiate, amend and enter into an agreement with Camas Fire Department.

MOTION: Currier/Soppe to approve Resolution No. 2004-2487 as amended by City Attorney Mahr. (Unanimous). Motion carried)

City Attorney Mahr said the City did receive the ruling on the Mitchell matter. The City's decision was affirmed.

Discussion was held concerning allowing people to speak at hearings. Further discussion was held concerning changing the City's code provisions and procedures in allowing testimony. **Councilor Currier** urged the Council to possibly take up this matter during its goals session and bring back to the table the issue of "record hearing only" and possible changes to the City's code. **Councilor Soppe** said it would be a good idea not to discuss this with the proponents or opponents before ruling. **Mr. Mahr** said the Council would have to be careful to declare any ex parte contact.

IX. EXECUTIVE SESSION

None.

X. ADJOURNMENT

MOTION: Mayor Stewart adjourned the meeting at 8:30 p.m. (Unanimous). Motion carried.

ADOPTED by the Newberg City Council this 15th day of March, 2004.

JH Bennett

James H. Bennett, City Recorder

ATTEST by the Mayor this 18 day of March, 2004.

Bob Stewart

Bob Stewart, Mayor