CITY OF NEWBERG COUNCIL MINUTES
MAY 21, 2012
7:00 P.M. MEETING
PUBLIC SAFETY BUILDING TRAINING ROOM (401 EAST THIRD STREET)

A Executive Session pursuant to ORS 192.660(2)(h) to consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed was held during the work session at 6:00 p.m. preceding the meeting. All Councilors and the Mayor were present; no action was taken and no decisions were made.

I. CALL MEETING TO ORDER

Mayor Bob Andrews called the meeting to order at 7:22 PM.

II. ROLL CALL

Members Present:	Mayor Bob Andrews	Denise Bacon	Bart Rierson	Wade Witherspoon
	Ryan Howard	Stephen McKinney	Marc Shelton (via conference phone)	

Staff Present:	Daniel Danicic, City Manager	Terrence Mahr, City Attorney
	Barton Brierley, Planning and Building Director	Norma I. Alley, City Recorder
	Janelle Nordyke, Finance Director	Jennifer Nelson, Deputy City Recorder
	Leah Griffith, Library Director	Nicole Tannler, Minutes Recorder

Others Present: Michele Bergeron, Mike Ragsdale, Leah Lockwood, Charlie Harris, and Dave Haugeberg

III. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was performed.

IV. SPECIAL PRESENTATIONS

Consider a motion approving a proclamation declaring the last Tuesday in May as Stop, Drop & Read Day.

MOTION: Rierson/Shelton approving a proclamation declaring the last Tuesday in May as Stop, Drop & Read Day. Motion carried (7 Yes/0 No).

Mayor Andrews presented proclamation to Ms. Leah Griffith, Library Director and Ms. Michele Bergeron.

V. CITY MANAGER'S REPORT

Mr. Daniel Danicic, City Manager, reported the Special Olympics is holding their "Tip a Cop" fundraising event at Lil' Cooperstown Pub & Grill on May 23rd. The installation ceremony for the Council approved veterans' preferred parking space will be held on Thursday, May 24th, at 11:00 AM at the Blaine Street parking lot. The Newberg Animal Shelter Friends (NASF) are continuing with their fundraising efforts taking in $6,000.00 at their annual Plant & Yard sale; they also have a new program called "Pets Uncorked" held over the Memorial Day weekend with some of the proceeds from local wine tastings going to NASF. The annual Memorial Day weekend boat races will be held at Rogers Landing.

VI. PUBLIC COMMENTS

Mr. Mike Ragsdale, Director of the Newberg Downtown Coalition (NDC), shared ongoing activities of the NDC such as the success of the downtown clean-up. Every year they select a property to focus on and this year they selected the City of Newberg's City Hall.

VII. CONSENT CALENDAR

1. Consider a motion approving **Resolution No. 2012-3004** declaring a GMC School Bus and a boat trailer as surplus property.

2. Consider a motion approving the April 16, 2012, City Council meeting minutes.

MOTION: **Howard/Witherspoon** approving the Consent Calendar including **Resolution No. 2012-3004** and the City Council minutes from April 16, 2012, as amended. Motion carried (7 Yes/0 No).

VIII. PUBLIC HEARINGS

1. Consider a motion adopting **Resolution No. 2012-3003** approving Supplemental Budget #2 for fiscal year 2011-2012.

TIME – 7:34 PM

Mayor Andrews introduced the administrative hearing and called for any conflicts of interest or abstentions; none appeared.

Ms. Janelle Nordyke, Finance Director, presented the staff report and recommended adoption (see official meeting packet for full report).

Mayor Andrews asked for clarification on the net reduction of $44,000.00 and the $17,000.00 addition for the bell tower. Ms. Nordyke stated in the 2010-2011 fiscal year the City spent $61,555.00 of the Federal Emergency Management Agency (FEMA) Grant and this fiscal year we have the full amount of the FEMA Grant being eligible to be expensed. We are reducing the $810,000.00 by $61,555.00, and adding in $17,000.00. That is where the net of $44,000.00 comes from.

Mayor Andrews questioned the additional $5,000.00. Staff stated the City had zero dollars budgeted in the civil forfeiture funds and revenue was received with the intent of spending up to $5,000.00.

Mayor Andrews opened and closed the public testimony as no citizens appeared to speak; he also closed the public hearing.

MOTION: **Rierson/McKinney** to adopt **Resolution No. 2012-3003** approving Supplemental Budget #2 for fiscal year 2011-2012. Motion carried (7 Yes/0 No).

2. Consider a motion approving **Ordinance No. 2012-2750** deferring the collection of System Development Charges for affordable housing projects.

TIME – 7:44PM

Mayor Andrews introduced the legislative hearing in its third reading and called for any conflicts of interest or abstentions; none appeared.

Mr. Barton Brierley, Planning Building Director, presented the staff report and recommended adoption (see official meeting packet for full report).

Mayor Andrews asked for the rate we are losing from the Local Government Investment Pool to be recouped. Staff replied the rate is 0.6%.

Councilor Bart Rierson asked if that is an annual rate. Staff replied yes.

Mr. Brierley noted the ordinance title had an incorrect date and noted the year should be changed to 2014. He recommended approving the resolution with the changes.

Mayor Andrews informed the Council a member of the public desired to speak on this matter although the record is currently closed. He asked what Council's desire was regarding opening the record to accept further testimony or keeping it closed.

MOTION: **McKinney/Howard** to open the record for **Ordinance No. 2012-2750** to receive additional public testimony. Motion carried (7 Yes/0 No).

Ms. Leah Lockwood testified she has an 18 unit apartment complex being built and this resolution will help them tremendously, particularly the wording about leniency on having SDCs paid when the project converts into permanent financing. It could hold us up if the certificate of occupancy is held up because the bank wants this done first to close the loan.

Mayor Andrews closed the public testimony and staff recommended adopting the ordinance with recommended corrections.

Councilor Ryan Howard asked if the fee was accessed per dwelling unit or per project. Staff cited it was per project.

MOTION: **Shelton/Bacon** approving **Ordinance No. 2012-2750** allowing deferral of System Development Charges for housing projects and including a sunset provision of December 31, 2014.

Councilor Howard stated the original intent was to wave the fees for affordable housing projects, because we were originally looking at this as an incentive for affordable housing and is in pursuit of the original goals. He stated he wished to see that included in the ordinance.

Mr. Terry Mahr, City Attorney, proposed language be added under section 2 to state the initial fee deferral under this ordinance be $150.00 payable upon application, except the fee shall be waived for affordable housing projects.

MOTION: **Howard/Bacon** amending **Ordinance No. 2012-2750** to waive the administrative fees for affordable housing projects. Motion carried (7 Yes/0 No).

VOTE: To approve **Ordinance No. 2012-2750** allowing deferral of System Development Charges for housing projects and including a sunset provision of December 31, 2014, and a waiver of administrative fees for affordable housing projects, as amended. Motion carried (7 Yes/0 No).

IX. NEW BUSINESS

1. Consider a motion adopting **Resolution No. 2012-3005** modifying the job classification of Public Works Director to Assistant City Manager.

TIME – 8:00 PM

Mr. Danicic, City Manager, presented the staff report and recommended adoption (see official meeting packet for full report).

Councilor Marc Shelton asked if this position is similar to the city manager, where the councilors have some input, or if it is it done at the city manager's discretion. Mr. Danicic replied it is at his discretion.

Councilor Witherspoon asked about Dain Eichel's position now; staff replied Mr. Eichel took on the Operations Supervisor position and was then asked to take on the interim Public Works Director role only temporarily. He has since returned to the operations division.

Mayor Andrews asked for examples of where this is being used in other communities. Staff replied the City of Sherwood is using assistant city managers as well as the City of Lake Oswego with the typical organizational layout being the Assistant City Manager overseeing what could be other departments as the City grows.

Councilor Howard asked if there are other cities taking a different approach such as having a deputy city manager. Staff replied there was not because the risk you take with having a deputy appointed by Council brings up the question of who is really in charge and whom are they reporting to.

Councilor Shelton referred to page 34 of the packet on page 4 under the required education, certification, and experience and asked if there was a typographical error, because it says ten years experience with a "5" in parentheses. Staff replied it is intended to be five years experience.

Mayor Andrews opened the floor for public testimony.

Mr. Ragsdale stated he has had over 10 years of experience in a consulting company working with local governments and their primary contact was the city manager. He said cities that had this kind of a role were much more prepared to deal with the kinds of issues his consulting firm was called upon for. His firm was never hired by a city they could not help, or by one that did not have problems. The kind of issues where you have extensive outreach and complex program details can be extremely consuming for a city manager. In his experience the city manager had a much better relationship with the citizens when there is an assistant city manager.

MOTION: Witherspoon/Howard adopting **Resolution No. 2012-3005** modifying the job classification of Public Works Director to Assistant City Manager. Motion carried (7 Yes/0 No).

2. Consider a motion approving the methodology for matching funds toward the Newberg-Dundee Bypass Project.

TIME – 8:20 PM

Mr. Danicic presented the staff report and recommended approval (see official meeting packet for full report).

Councilor Shelton reiterated the position the City would be in because of the reduction in the gas tax. He had heard some concern regarding the reduction of the gas tax and wanted to remind everyone of how the State would look at that obligation for House Bill (HB) 2001 funding. Mr. Mahr answered the funding would go directly to the State rather than coming through the City so we would not pay the administration fee; the other issue is if we would be liable if another entity failed to pay their portion. We would not be liable for anything other than our portion. Councilor Shelton addressed the sentence stating we would be assuming $134,000.00 and then asked what level of commitment are the citizens of Newberg liable for given a complete reduction in gas tax revenues. Mr. Mahr responded we might be pledging the general credit for our portion.

Councilor Shelton stated he does not think we are going to go under $134,000.00 as some of our citizens might be inferring, but he wanted to know if there are some safe guards in place, what we are obligated for and what our liability is on the complete funding for the Oregon Department of Transportation (ODOT) Jobs and Transportation Act (JTA) taking away driving practices for the citizens of Oregon. Mr. Mahr responded if it is completely taken away and we pledged our general fund, then we would be liable for our $134,000.00 share. If we negotiate only counting on the gas tax revenue, then we could possibly not be liable. Councilor Shelton stated it is an important piece that we are communicating well with our citizens that HB2001 was passed for transportation investments and we are not lacking to commit for 25 years. Staff stated the question on how we back up the loan for construction is yet to be determined and and said that will be decided when we decide what sort of terms the city is willing to agree to.

Councilor Rierson asked if any other communities have pledged their preliminary support to the intergovernmental agreement (IGA). Staff responded the County and the City of Dundee have used the preliminary report for funding distribution and the IGA. The City of McMinnville is still deliberating.

Councilor Rierson asked about HB2001 funding and his understanding that driving more efficient cars, less miles, and the high cost in gas could lower this. The overall gas tax revenue seems relatively flat, but we may be seeing substantially less revenues and have to make adjustments. Big portions of revenue we are getting now are revenues dedicated to projects like this. Staff replied projections for HB2001 revenues are pretty good.

Mayor Andrews opened the floor for public testimony.

Mr. Dave Haugeberg, Chair of the Yamhill County Parkway Committee, said he came to talk about where they are in the Newberg-Dundee Bypass (Bypass) Project. He stated it had been a long time since we could talk about funding and move forward, but with this project there are opportunities in reclaiming our downtown areas. He encouraged the Council to take the next step in moving forward with the formula, realizing there is work still to be done. It is necessary for the cities of Newberg and McMinnville to commit to a formula so we can focus on the IGA.

Mayor Andrews stated at the February 29, 2012, meeting he heard about the constitutional protection. He is looking to Mr. Haugeberg to assure and verify that particular information for our Council.

Mr. Charlie Harris, previous member of the Parkway Committee, asked if we are getting ahead of ourselves by committing funding to a project before knowing what the needs of Newberg transportation will be. He wanted to know about the gas tax money addressing the deferred maintenance; stated it is not sufficient to meet our needs now; and asked what the dollar amount of the deferred maintenance is and are we committing to gas tax money only or general fund monies as well. He stated if this is the case, we should amend the resolution to just commit to gas tax money. He does not want to commit to a general obligation bond that may or may not happen. Finally, the funding they have come up with is not the most rational because it is based on the population, not based on the benefit to the people of the Bypass. Phase 1 of the Bypass will address 36 intersections and 33 will get improved; the three that are not getting improved are in Newberg. He said Dundee is clearly the beneficiary to this and is making the smallest contribution.

Mayor Andrews asked if there were any more questions for staff and added the issue before them is to look at supporting the preliminary allocation and looking at the IGA. The upcoming IGA will answer many questions brought up tonight.

MOTION: Shelton/Witherspoon approving the methodology for matching funds toward the Newberg-Dundee Bypass Project.

MOTION: Rierson/Howard to amend the motion for the repayment amount to not exceed the additional gas tax revenue received from House Bill 2001 or repayment from the JTA. Motion carried (7 Yes/0 No).

Councilor Howard stated concerns on obligating ourselves to more than 10% of our transportation fund for a 25 year period, especially considering we have growing, impending high costs; but he intends to support the item before us now.

Councilor Rierson said he also intends to support the motion and thinks it is important to move forward on the IGA. He sensed an overwhelming support and likes the idea of a fixed cost because it takes the uncertainty out of the equation. He agreed this is a big chunk of the transportation funds and is a big need now.

Councilor Shelton said he thinks the relationship with cities of this County are represented, which was one of the things he was listening for and heard. He is in support of this and would like to move forward.

Mayor Andrews appreciates the concerns brought up by Mr. Harris on some of the intersections and said as of now there is a significant plan for the improvement of Hwy 99W and Springbrook Road, as well as Hwy 219 and the Bypass. He said he will support this motion.

VOTE: To approving the methodology for matching funds toward the Newberg-Dundee Bypass Project to not exceed the additional gas tax revenue received from House Bill 2001 or repayment from the JTA. Motion carried (7 Yes/0 No).

X. COUNCIL BUSINESS

TIME – 8:55 PM

Councilor Rierson spoke about the Willamette River Keepers requesting a Memorandum of Understanding (MOA) to be considered by the Council. Mayor Andrews stated he would like to have Mr. Mahr's report on the legal application on the MOA and the Council representing the City. He also asked what kind of time frame they were looking at. Councilor Rierson said it will be on an agenda in the next six weeks.

Mayor Andrews recessed at 9:03 PM and reconvened into the Executive Session.

XI. EXECUTIVE SESSION

Executive Session pursuant to ORS 192.660(2)(h) to consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed.

TIME – 9:04 PM

Executive Session was held pursuant to ORS 192.660(2)(h) to consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed. All Councilors and the Mayor were present; no action was taken and no decisions were made.

Mayor Andrews closed the Executive Session and opened the public meeting at 10:43 PM.

XII. ADJOURNMENT

The meeting adjourned at 10:43 PM.

ADOPTED by the Newberg City Council this 16th day of July, 2012.

Norma I. Alley

Norma I. Alley, MMC, City Recorder

ATTEST by the Mayor this 19th day of July, 2012.

Bob Andrews

Bob Andrews, Mayor