

NEWBERG CITY COUNCIL MINUTES
MAY 19, 2014, 7:00 PM
PUBLIC SAFETY BUILDING TRAINING ROOM (401 EAST THIRD STREET)

A work session was held at 6:00 PM preceding the meeting. There was a review of the council agenda and items to be heard under council business. All councilors, except Councilor Mike Corey was absent and Councilor Bart Rierson arrived at 6:05 PM., the mayor, city manager pro tem, city attorney, deputy city recorder, and minutes recorder were present. Mayor Andrews called an executive session to order at 6:12 PM pursuant to ORS 192.660(2)(a) relating to employment of a public officer, employee, staff member or individual agent. All councilors, except Councilor Corey, the mayor, city manager pro tem, city attorney were present. The city manager pro tem was excused at 6:36 PM. Executive session ended at 7:06 PM. No action was taken and no decisions were made.

I. CALL MEETING TO ORDER

Mayor Bob Andrews called the meeting to order at 7:16 PM

II. ROLL CALL

Members Present:	Mayor Bob Andrews	Denise Bacon	Ryan Howard
	Bart Rierson	Stephen McKinney	Lesley Woodruff

Members Absent: Mike Corey (excused)

Staff Present:	Lee Elliott, city manager pro tem	Truman Stone, city attorney
	Leah Griffith, library director	Janelle Nordyke, finance director
	Dave Brooks, IT director	Steve Olsen, interim planning & building director
	Jenn Nelson, deputy city recorder	Nicole Tannler, minutes recorder

Others Present: Luis Saavedra, Robert Soppe, Sheryl Kelsh, Lori Louis and Pierre Zreik

III. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was performed.

IV. CITY MANAGER'S REPORT

Mr. Lee Elliott, city manager pro tem, reported tomorrow at 7:00 PM there will be a budget meeting. We are excited for our new city manager to start the end of June. Thursday, June 5, 2014, at 7:30 PM there will be a free concert at George Fox University by the Newberg Community Band and McMinnville Second Winds.

V. PUBLIC COMMENTS

Mayor Andrews opened and closed the public testimony; no citizens appeared

VI. COUNCIL APPOINTMENTS

1. Consider a motion appointing Barbara Doyle and Chuck Zickefoose with terms expiring December 31, 2016; George Edmonston, Jr. and Geary Linhart with terms expiring December 31, 2015; Rick Fieldhouse with a term expiring December 31, 2014; and, Isamar Ramirez as the historic preservation student commissioner for a term expiring May 31, 2015, to the Historic Preservation Commission.

MOTION: Rierson/Howard appointing Barbara Doyle and Chuck Zickefoose with terms expiring December 31, 2016; George Edmonston, Jr. and Geary Linhart with terms expiring December 31, 2015; Rick Fieldhouse with a term expiring December 31, 2014; and, Isamar Ramirez as the historic preservation student commissioner for a term expiring May 31, 2015, to the Historic Preservation Commission. Motion carried (6 Yes/0 No/1 Absent [Corey]).

2. Consider a motion appointing Luis Saavedra as the student member on the Planning Commission serving a term expiring May 31, 2015.

MOTION: Howard/Woodruff appointing Luis Saavedra as the student member on the Planning Commission serving a term expiring May 31, 2015. Motion carried (6 Yes/0 No/1 Absent [Corey]).

3. Consider a motion appointing Sarah Ferguson as the student member on the Traffic Safety Commission serving a term expiring May 31, 2015.

MOTION: Bacon/Howard appointing Sarah Ferguson as the student member on the Traffic Safety Commission serving a term expiring May 31, 2015. Motion carried (6 Yes/0 No/1 Absent [Corey]).

VII. CONSENT CALENDAR

1. Consider a motion adopting **Resolution No. 2014-3128** approving the six-month evaluation of the city attorney.
2. Consider a motion adopting **Resolution No. 2014-3136** approving an increase in the Emergency Medical Service Rates, effective July 1, 2014.
3. Consider a motion adopting **Resolution No. 2014-3137** authorizing the city manager pro tem to purchase mobile data terminal computers for the police and fire department.
4. Consider a motion adopting **Resolution No. 2014-3138** appointing Bryan Jones to the fleet maintenance lead/crew chief position in the public works maintenance department.
5. Consider a motion adopting **Resolution No. 2014-3140** approving an increase in the Permit Center Fee Schedule, effective July 1, 2014.

Items 3 and 5 were pulled from consent calendar and discussed under new business.

MOTION: Howard/Bacon adopting Resolution No. 2014-3128 approving the six-month evaluation of the city attorney, Resolution No. 2014-3136 approving an increase in the Emergency Medical Service Rates, effective July 1, 2014, and Resolution No. 2014-3138 appointing Bryan Jones to the fleet maintenance lead/crew chief position in the public works maintenance department. Motion carried (6 Yes/0 No/1 Absent [Corey]).

VIII. PUBLIC HEARING

Consider a motion adopting **Ordinance No. 2014-2771** approving an increase in the Transient Lodging Tax from 6% to 9%, effective July 1, 2014.

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

Ms. Janelle Nordyke, finance director, presented the staff report accompanied by a PowerPoint presentation (see official meeting packet for full report). Staff recommends approval of Ordinance No. 2014-2771 approving an increase in the Transient Lodging Tax (TLT) from 6% to 9%, effective July 1, 2014.

Mr. Robert Soppe reported it is improper to call a 6% to 9% change as an increase of 3%. It should be called a 50% increase or an increase of 3 percentage points. The statement that the estimated annual revenue increase to the General Fund is \$130,400.00 is incorrect. That may be the net benefit to the City for non-tourism expenditures, but that is very different from revenue increase to the General Fund. I questioned why the contribution to the Visitors' Center was not included in the tourism expenditures. Councilor Ryan Howard pointed out that it was, in fact, included.

Ms. Sheryl Kelsh, chamber of commerce president/CEO, said it was not clear when reading the ordinance, but appreciated staff clarifying that. She request this be tabled because there are many partners that were not included in this and they ask that they can discuss this in advance. Councilor Howard asked which parties she was referring too. Ms. Kelsh replied the Allison and other lodging facilities.

Councilor Bart Rierson said we have discussed this multiple times throughout the year and I have asked every time to let our partners know. Councilor Stephen McKinney stated it is important that this get done, but this has been discussed under two budgetary years. I appreciate you coming and reminding us to keep our partners informed.

Ms. Lori Louis, director of sales at The Allison, said we have contracts signed with a lot of companies and will have to compensate for that ourselves and I do not think that is fair. We are partners and have been for five and a half years as a courtesy someone should have come and talked to us.

Councilor Denise Bacon stated I sincerely apologize and there is no excuse but with that being said part of that money will be going toward safety in our city. We are trying to provide a bunch of services with limited property taxes and transient taxes. Ms. Louis said the higher the taxes the less competitive we can be and from a competitive standpoint it is difficult.

Mr. Pierre Zreik testified we are booked months out and we have signed contracts for the 6% tax, which we will stick by. Councilor Rierson said there is probably going to be unforeseen price increases in anything, but I would not support doing this right now without having been good partners and giving some warning.

Councilor McKinney said there is no doubt in my mind that we are not the only city increasing transient lodging taxes. It does merit some conversations so that you can stay competitive, so possibly phasing it in could be an option. We do not want to impede in your progress and I think the partnership can be improved but we need to describe these packages to help mitigate some of the increase that will come. Your suggestions could be very helpful to us.

Councilor Howard said it is clear that our intent is to get revenue from the tourist not necessarily the Allison and imposing on the guests is an intended consequence. I do not see someone paying the amount for your rooms having trouble paying the additional 3%. It seems like a promising source of revenue for us. Ms. Louis replied when it is a group it compromises our ability to bring them to the area. They are out eating in our restaurants,

renting cars and buying gasoline. Mr. Zreik said because Newberg taxes are lower compared to Portland it is extremely important.

Councilor Bacon responded at least with this tax the money is being used locally and you will see the return on your money. Councilor Rierson said the good news about this whole thing is a lot of this increase will go to the tourism dollars. It is an investment when we give it to the chamber and it will help benefit tourism. Some of that will go toward public safety, which is important when you are visiting a place.

Mayor Andrews closed the public testimony, stated the second reading will be on June 16, 2014, and announced written testimony to remain open until close of business day on June 12, 2014.

Councilor Rierson said it is likely I would like to move the date out on adoption. Mayor Andrews asked if we can direct staff to change the date or negotiate some kind of package. Councilor Bacon asked if we can honor those that already have reservations. Mr. Lee Elliott replied staff did what the council told them to do and asked whom would you like us to contact so that we do not make the same mistake again.

Councilor Ryan Howard stated in defense of staff this is the proper time to make the outreach, which is why there is a first reading. I think that between now and the 16th should give us enough time. I prefer to make this decision before the end of the fiscal year.

Councilor Rierson stated I do not support honoring existing contracts because cost goes up and they understand that. It creates a lot of complication and I much prefer postponing the effective date.

Mr. Truman Stone said from a legal standpoint it would be hard to craft a resolution honoring existing contracts. Mayor Andrews stated we may be targeting an effective date further out. Ms. Janelle Nordyke reported postponing the resolution would estimate a loss of revenue of \$25,000.00 a quarter, which is the equivalent to the loss of a police officer.

Discussion commenced directing staff to prepare an ordinance providing a phased increase.

IX. NEW BUSINESS

1. Update to council on the status of the Cultural District Use Policy.

Ms. Leah Griffith, library director, and Mr. Truman Stone, city attorney, presented the staff report including a PowerPoint slideshow (see official meeting packet for full report).

2. Consider a motion adopting **Resolution No. 2014-3137** authorizing the city manager pro tem to purchase mobile data terminal computers for the police and fire department.

MOTION: Woodruff/Bacon adopting Resolution No. 2014-3137 authorizing the city manager pro tem to purchase mobile data terminal computers for the police and fire department. Motion carried (6 Yes/0 No/1 Absent [Corey]).

3. Consider a motion adopting **Resolution No. 2014-3140** approving an increase in the Permit Center Fee Schedule, effective July 1, 2014.

Councilor Howard said he has nothing to base these increases on and sees an overall increase of 7.5%. He asked about fees that are based on percentage and how those are increased. Mr. Steve Olsen, interim planning & building director, reported 90% or more of the fees are an increase of 7.5% and the application fee has no

increase, which is a down payment. Traditionally we have not increased overall percentage but the overall fee on planning review. When it comes to planning applications the fees do not add up to much.

Councilor Howard asked how they are typically adjusted. Mr. Steve Olsen responded 1-2% annually for inflation, and this would be on top of that.

Councilor Howard said one thing I am sure will come up in discussion is where we look to alleviate cost rather than raise cost.

Councilor McKinney stated it is important to correct the knowledge that it is expensive to build here, when we looked at comparisons it really was not. I am happy you provided us with information to compare.

MOTION: Howard/Rierson adopting Resolution No. 2014-3140 approving an increase in the Permit Center Fee Schedule, effective July 1, 2014. Motion carried (6 Yes/0 No/1 Absent [Corey]).

X. COUNCIL BUSINESS

MOTION: Howard/Rierson approve a cash-out of any unused administration leave and the floating holiday, approve three months of paid insurance, and three months of separation pay at the out-of-class rate.

Councilor McKinney stated he does not support this motion because it is inadequate for the job and transition period. It does not seem to be in keeping with the trend that we honor those that work for us.

Mayor Andrews stated he will support the motion and pledge myself as Mayor with a letter of recommendation on behalf of the council.

Councilor Rierson said I will be supporting this motion and I believe he provided outstanding service in a difficult time. I believe it is fair and thank you for your service.

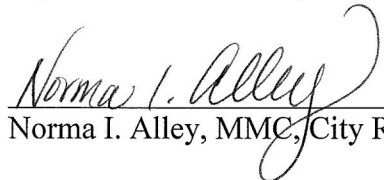
Councilor Howard stated we all spoke extremely highly of you and all recognize you exceeded our expectations. I hope that we can support you through that interim time.

VOTE: approve a cash-out of any unused administration leave and the floating holiday, approve three months of paid insurance, and three months of separation pay at the out-of-class rate. Motion carried (5 Yes/1 No [McKinney]/1 Absent [Corey]).

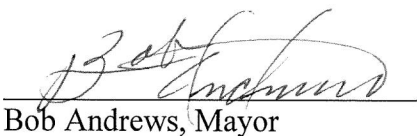
XI. ADJOURNMENT

Meeting adjourned at 9:29 PM.

ADOPTED by the Newberg City Council this 7th day of July, 2014.


Norma I. Alley, MMC, City Recorder

ATTEST by the Mayor this 10th day of July, 2014.


Bob Andrews, Mayor