

**CITY COUNCIL MINUTES
DECEMBER 1, 2014, 7:00 PM
PUBLIC SAFETY BUILDING (401 E. THIRD STREET)**

A work session was held at 6:00 p.m. preceding the meeting. Present were Mayor Bob Andrews, Council President Ryan Howard, Councilor Stephen McKinney, Councilor Denise Bacon, Councilor Lesley Woodruff, Councilor Mike Corey and Councilor Bart Rierson, City Manager Jacque Betz, City Recorder Sue Ryan and City Attorney Truman Stone. Also present were Department Heads: Leah Griffith, Jay Harris, Steve Olson, Les Hallman, Brian Casey, Dave Brooks, and Dawn Wilson.

Leah Griffith, Library Director, gave a report on the Newberg Arts Initiative. She discussed potential projects and funding for getting public art into the community. Next week the Library would transition to their new catalog system and were in the process of doing strategic planning and had revised the Library newsletter.

Jay Harris, Public Works Director, discussed new employees in his department. The City's first hybrid vehicle was delivered. Wastewater Treatment Plant improvements were nearing completion. He was evaluating whether to delay expanding the plant for two years because of rising costs of construction. The bypass utility relocation is underway. There had been issues with the well field.

Steve Olson, Interim Planning & Building Director, said the Planning Commission was working on the Sign Code. The Enterprise Zone application was being revised. All parties had agreed to the UGB remediation agreement. There would be an Open House for the TSP update on December 10. The scope of work had been completed for the TGM grant for the downtown revitalization project. Staff was transitioning to a new State permitting software program.

Les Hallman, Fire Chief, said this was the 85th year that Firefighters decorated the City for Christmas and did a Santa's Workshop. He discussed burns that would be done for training. They had received 15% more service calls than last year.

Brian Casey, Police Chief, stated the Citizens Police Academy would be held February to April. A fundraiser at Burgerville for the Special Olympics was successful. Two detectives had been assisting the City of McMinnville with a stabbing case. He reported on recent robberies, shoplifting, and domestic issues. They had received a grant to work on DUII cases.

Dave Brooks, IT Director, announced they had a new Administrative Assistant. The City's fire wall had recently been replaced and there was a new spam filter. He discussed the new permitting project and conversion of the City's website. They had converted 75% of the City's system applications and employees were still being moved to the new system.

Dawn Wilson, Human Resources Director, reported on the recruitments for six new employees, seven promotions, six employment separations, collective bargaining, health insurance, and the City's retirement plan.

Mayor Andrews adjourned the work session at 6:40 p.m.

CALL MEETING TO ORDER

Mayor Andrews called the meeting to order at 7:00 p.m.

ROLL CALL

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

Staff Present: Jacque Betz, City Manager Truman Stone, City Attorney
 Sue Ryan, City Recorder Leah Griffith, Library Director
 Jay Harris, Public Works Director Ross Schultz, Interim Finance Director
 Steve Olson, Interim Planning and Building Director

PLEDGE OF ALLEGIANCE: The Pledge of Allegiance was performed.

CITY MANAGER'S REPORT: Ms. Jacque Betz, City Manager, had nothing further to report than what was in the Council packet.

SPECIAL PRESENTATIONS:

MOTION: Bacon/McKinney moved to recognize Darleen Harding with a special proclamation for her 30 years of service as the City's Animal Control Officer. Motion carried. (7 Yes/0 No)

Mayor Andrews read the proclamation and presented it to Ms. Harding. Brian Casey, Police Chief, recognized Ms. Harding's years of service also and presented her with a shadow box.

Marlena Bertram, Executive Director of Yamhill County Mediators, thanked the City for their partnership. She discussed the recent basic mediation training and reviewed the cases they did in 2014. The fastest growing cases were truancy cases in the Newberg School District. She introduced Susan Rider, Board member, who was heading the truancy program. She then discussed the expansion of the educational outreach program at the Juvenile Detention Center.

CONSENT CALENDAR:

MOTION: Rierson/Howard moved to approve the November 17, 2014 City Council meeting minutes as amended, approve the Mayor's recommendation of Stephen McKinney, Allyn Edwards and Matt Fortner to the Newberg Urban Area Management Committee and Ryan Howard to the Historic Preservation Commission, and approve Resolution No. 2014-3172, accepting the canvass of votes for the November 5, 2014 General Election. Motion carried. (7 Yes/0 No)

PUBLIC HEARINGS:

Mayor Andrews passed the gavel to Council President Ryan Howard. Council President Howard opened the hearing on Resolution No. 2014-3171, a request for a partition of 508 S. Springbrook Road, at 7:15 p.m. He asked if there were any abstentions, conflicts of interest, or objections to jurisdiction. There were none.

IBPD Olson delivered his staff report (Exhibit A). He explained the site was outside the City limits, but partially inside the Urban Growth Boundary. This was a County application and the Council would be making a recommendation. The proposal was splitting the 15 acre parcel to create a 2.5 acre parcel on the west side along Springbrook Road. There was no plan for development on either site. The eastern part was intended to remain rural residential and the western parcel would be graveled to create a flat surface to use as a staging area for trucks and shipments. The site had a medium density residential Comprehensive Plan designation. He reviewed the criteria for the application. The application did not preclude future urban development and would be consistent with future urban development of the area. Staff recommended adopting Resolution 2014-3171, which recommended County approval of the partition. Councilor Rierson asked about traffic impacts with an additional driveway on Springbrook. IBPD Olson replied there would be an additional driveway, however the applicant was already shipping things from this site. It would not increase the amount of shipping, but would make it easier for their operation. Springbrook was planned to be improved to handle the heavy trucks.

Mayor Andrews asked about the jurisdiction of the street and the number of driveways allowed. IBPD Olson said the City had jurisdiction over this portion of the street and would have to approve the driveway location,

but it would need to be coordinated with the Springbrook improvement. Truman Stone, City Attorney, explained the City was negotiating an IGA with ODOT regarding use of Springbrook Road as part of the proposed bypass. He would pass on the concern regarding driveway access on Springbrook. Mayor Andrews asked which portions were in the Urban Growth Boundary. IBPD Olson clarified which portions and that there was no development or permanent improvements planned that precluded future use. Mayor Andrews asked if there would be a transfer of ownership. IBPD Olson thought the purpose of the partition was so the applicant of the partition could buy the parcel.

Proponents: John Bridges spoke on behalf of the applicant, Arnie Fuchs. He explained the applicant had been working with the current owner of the property and ODOT on this application. The goal was to result in 2.25 acres after ODOT took some of the property for the improvements. It was difficult for the applicant to move the equipment once it was built as it was larger than standard trucks. ODOT was on board with the plan for having two driveways to the property. This would be a better transportation solution. Regarding zoning, they needed to make sure it would not interfere with the shadow planning in the area. He thought the proposal would not interfere with any future plans. This was not currently zoned medium density residential, and there was a Conditional Use Permit with the County for the current use of the property.

Opponents: None.

Council President Howard closed the hearing at 7:35 p.m.

Deliberations:

Councilor Corey said this was County zoning and the medium density did not come into play at this time. They already had Conditional Use with the County. He was in favor of the application. Councilor McKinney was glad it would not place an impediment on the property so it could be successfully transformed whenever it came into the City. He asked if there could be provisions for fencing or some way to screen the staging area. CA Stone advised that it would be up to the County to make those conditions. The decision was whether or not to recommend the partition of land. Councilor Rierson said his concern was the additional driveway on the temporary bypass, however he felt comfortable with the explanation for how the driveways would be used and that the applicant had been working with ODOT. Mayor Andrews was also in support. This was a land partition, not the ultimate development of the property. It would also help with economic development in the community.

MOTION: Rierson/Andrews moved to approve Resolution 2014-3171, recommending that Yamhill County approve the proposed partition of 508 S. Springbrook Road for Tax lot 3221-3800. Motion carried. (7 Yes/0 No)

Mayor Andrews opened the public hearing on the closeout of Housing Rehabilitation Grant for the Housing Authority of Yamhill County at 7:45 pm. He asked if there were any abstentions, conflicts of interest, or objections to jurisdiction. There were none.

IBPD Olson presented the staff report. He said in May 2012 the City received a \$400,000 grant for housing rehabilitation. The Housing Authority administered the grant for the City. He explained the loans were no interest loans for low income home owners for needed repairs to their homes. Health and safety items were the priority for the repairs. This helped keep affordable housing in service and improved their value. He recommended including the memorandum from Ms. Reynolds in the meeting minutes.

Proponents: Darcy Reynolds, Yamhill County Housing Authority, said the County had been administering the grant. The project had been successful and was now being closed out. These were revolving loans that when they were repaid continued to help residents throughout the County with similar loans. The purpose of the public hearing was to take comments on the City's performance. Staff met all of the requirements in a timely

and accurate manner and had been pleasant to work with. The City performed very well during the State audit with no major performance findings. She thanked the Mayor for assuming the role of certifying officer and recognized IBPD Olson who acted as the central point of contact for the grant. She thanked the accounting department and front desk staff for their help with the project.

Opponents: None.

Mayor Andrews closed the hearing at 7:52 p.m.

Councilor Rierson appreciated the work that had been done and the advantages the program had given to home owners.

MOTION: Howard/Bacon moved to include the memorandum from Darcy Reynolds of the Yamhill County Housing Authority (Exhibit B) in the meeting minutes. Motion carried. (7 Yes/0 No)

NEW BUSINESS:

Financial Update: Ross Schultz, Interim Finance Director, presented a financial update (Exhibit C). He explained the ending fund balances for 2013-2014. He suggested closing some of the funds and not underestimating revenues and overestimating expenses as had been done in the past. He also thought the developing situation of paying for expansion through rates instead of SDCs also needed to be addressed. They also were not meeting the reserves that the City's policies indicated. He then gave an update on the 2014-2015 fiscal year, projections, General Fund forecast for the next three years, and refinancing opportunities. The projections showed loss of revenues and reserves being used up. However, the past budgeting issues had been identified and better budgeting practices were being put into place.

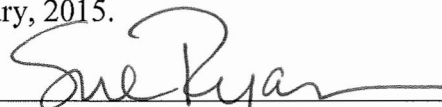
Jacque Betz, City Manager, said the City was still spending more than what was being brought in. When the economy turned in 2008 the City did not make the proper spending adjustments. They would eventually run out of reserves. Going forward with the next budgeting cycle, some funds would be collapsed and the budgeting process simplified to show what the ending fund balance would be and what the true revenues and expenses were. Staff would also be exploring and identifying short and long term solutions. There was discussion regarding revenues and expenditures in the budget.

COUNCIL BUSINESS:

Council President Ryan Howard had enjoyed serving on the Council and appreciated the opportunity and learning experience. He looked forward to continuing to serve the City on the Historic Preservation Commission. He read a list of important issues that still needed to be resolved.

ADJOURNMENT: The meeting adjourned at 8:35 p.m.

ADOPTED by the Newberg City Council this 5th day of January, 2015.


Sue Ryan, City Recorder

ATTESTED by the Mayor this 6th day of January, 2015.


Bob Andrews, Mayor

REQUEST FOR COUNCIL ACTION

DATE ACTION REQUESTED: December 1, 2014

Order ____ No.	Ordinance ____ No.	Resolution <u>XX</u> No. 2014-3171	Motion ____	Information ____
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SUBJECT: Partition of 508 S. Springbrook Road – a recommendation to Yamhill County for a property outside city limits

Contact Person (Preparer) for this Motion: Steve Olson, Interim Director
Dept.: Planning & Building
File No.: G-14-003

HEARING TYPE: LEGISLATIVE

RECOMMENDATION:

Adopt Resolution No. 2014-3171, recommending that Yamhill County approve the proposed partition of 508 S. Springbrook Road, tax lot 3221-3800.

EXECUTIVE SUMMARY: On October 30, 2014 the City received a copy of a partition application to divide a property at 508 S. Springbrook Road into two parcels. The property is located outside city limits but within the Newberg Urban Growth Boundary (UGB). Yamhill County has jurisdiction over the site, and will make the final decision on the partition application. The Newberg Urban Area Growth Management Agreement states that the City Council shall make a recommendation to the County on land use applications, including partitions, within the UGB. The City has 60 days from the receipt of the application to make a recommendation. The partition application is Yamhill County file no. P-09-14.

The site is at 508 S. Springbrook Road, tax lot 3221-3800. It is approximately 14.75 acres. The western half of the site (approximately 7.5 acres) is within the city's UGB and has a MDR (medium density residential) Comprehensive Plan designation. The eastern part of the site is outside the UGB and has County VLDR-1 zoning, which allows rural residential use.

The applicant, Arnie Fuchs, proposes to partition the site into a 2.47 acre parcel along Springbrook Road and a 11.98 acre eastern parcel, which will be a flag lot with a 103 foot wide connection to Springbrook Road. No new buildings or utility improvements are proposed for either site. The owner of the eastern parcel intends to continue to use it as a rural residential site. The applicant intends to use the western parcel as a staging area for Harris Thermal delivery trucks. Harris Thermal makes some very large products, and sometimes needs to ship on oversized trucks. The applicant intends to add gravel to the western site to create a flat surface for staging trucks.

The Springbrook Road frontage along this site is being improved by ODOT as part of the first phase of the Newberg-Dundee Bypass, so the Springbrook street frontage will be fully improved whether or not development occurs on this site.

The City's intent in the Urban Area Growth Management Agreement is to recommend that the County only allow development in the UGB that is limited in scope and consistent with the future urban development of the property.

- No buildings or utility improvements are proposed, so the development is limited in scope.
- The site has a Medium Density Residential designation, which means that future urban development could include single family houses, duplexes or apartments. The proposed parcels will be relatively

large, so they would not preclude the efficient future urban development of the property for apartments or other residential developments. The eastern parcel has a 103 foot wide connection to Springbrook Road, so a public road with a 60 foot wide right-of-way could be extended into the site if needed. The proposed partition would allow the future urban development of the property.

Staff recommends that the City Council recommend approval of the partition.

FISCAL IMPACT: There is no fiscal impact to the city from the partition.

STRATEGIC ASSESSMENT (RELATE TO COUNCIL GOALS): The partition does not hinder the future urbanization of the parcels because the parcel sizes will remain relatively large and the access to the rear parcel is wide enough to contain a public street, if necessary. No new buildings or utility improvements are proposed for either parcel, so no permanent improvements are proposed that would affect the location of future development on the parcels.

ATTACHMENTS:

Resolution no. 2014-3171 with

Exhibit A: Proposed partition plat

Exhibit B: Findings

1. Partition application and letter regarding future development
2. Comprehensive Plan map

To: City of Newberg Mayor and City Council Members

From: Darcy Reynolds - Housing Rehabilitation Specialist, representing the Housing Authority of Yamhill County (HAYC), and Yamhill County Affordable Housing Corporation (YCAHC) a non-profit agency.

Date: November 21, 2014

Subject: 2012 Newberg Housing Rehabilitation Community Development Block Grant (CDBG) project summary.

GRANT OVERVIEW

In May of 2012 the City of Newberg received a \$400,000 Housing Rehabilitation grant from the Oregon Business Development Department. The Housing Authority of Yamhill County has been administering the grant for the city. All of the project funds have been utilized, construction projects are now complete, and we are preparing to close the grant.

FAMILIES SERVED

In total we were able to assist 23 households, encompassing a total of 68 individuals. Of these households:

- 7 households were elderly
- 8 households had a female head of household
- 10 households had family members under 18
- 3 households had extremely low income
- 6 households had low income
- 14 households had low to moderate income

REPAIRS COMPLETED

The project gave priority to families with health and safety items. The repairs completed included things like: new roofs, gutters, siding, and windows; exterior and interior painting; heating systems and insulation; plumbing and electrical repairs and upgrades; modifications to meet the needs of elderly or disabled occupants; repairing structural deficiencies; as well as flooring and general remodeling.

ONGOING BENEFITS

These repairs will continue to benefit the homeowners of Newberg by reducing utility costs, preserving their structures and making their homes more livable. The city will also continue to benefit from the improved value to these homes.

Another benefit of this grant is that these loans will be repaid into a revolving loan fund that will continue to provide assistance to eligible homeowners throughout the County.

It has been a great pleasure working with the City of Newberg staff with the grant, and it's residents throughout their construction projects.



Newberg City Council – Dec 1, 2014
Annual Financial Update

Tonight's Update

- How we did in 2013 /14 (Pre Audit)
 - Steady reserves
 - General Fund health issues
- How we are doing 14/15
 - Revenue Delays
 - Tax Improvement
 - Opportunity for Refinance
- General Funds Forecast Next 3 years
 - Still spending more than we make
 - Lean times are not over but maybe light at end of tunnel



Newberg City Council – Dec 1, 2014 Annual Financial Update

How we did in 2013 /14 (Pre Audit)

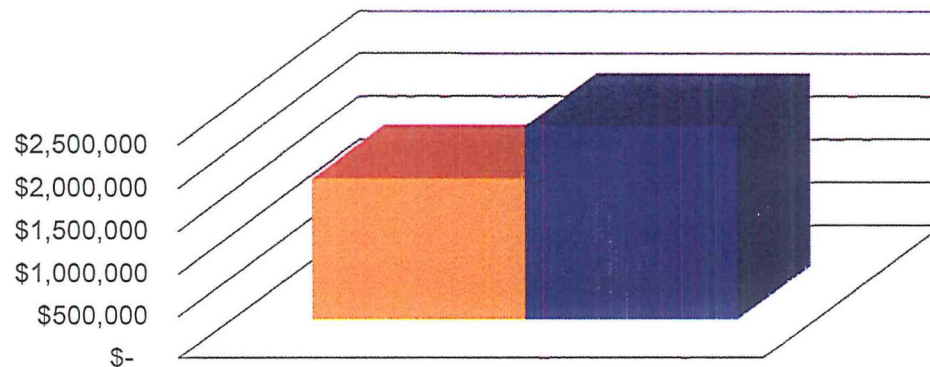
What is Ending Fund Balance

- Ending Fund Balance is the Sum of contingency plus reserves
- Becomes Next Years Beginning Balance
- The Higher Ending Fund Balance the better

Ending Fund Balance

Budget to Actual 2013/14

■ Budget ■ Actual



General Fund - 01

The Graph to the left shows Ending Fund Balance for the **General Fund**. Actual Ending Fund Balance (EFB) for 2013/14 was better than Budgeted EFB

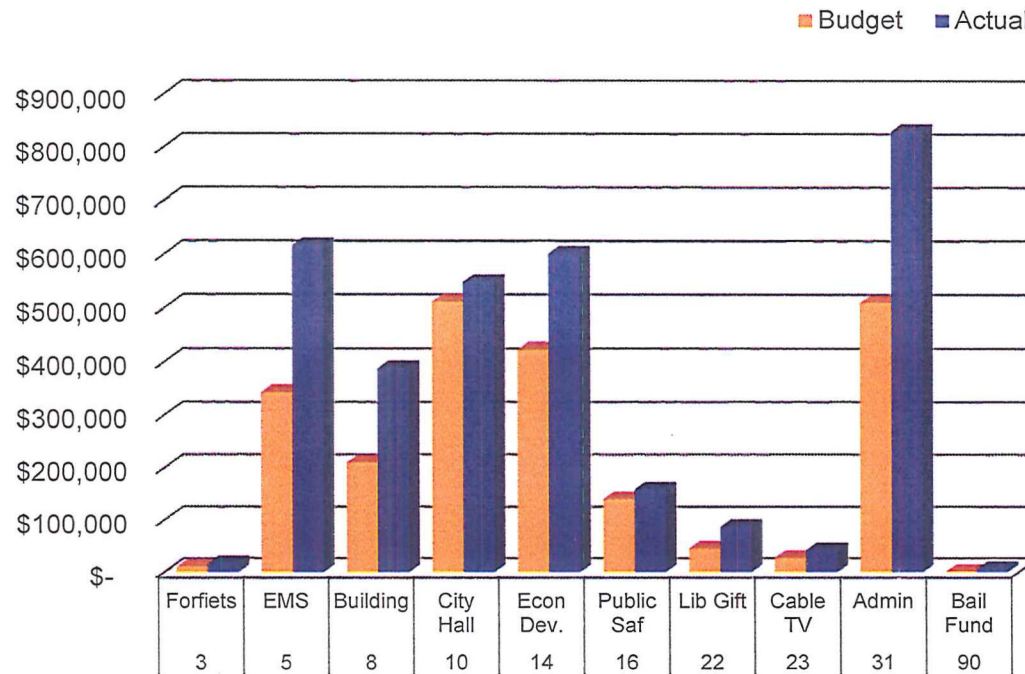


Newberg City Council – Dec 1, 2014 Annual Financial Update

How we did in 2013 /14 (Pre Audit)

Ending Fund Balance

Budget to Actual 2013/14



Discretionary Funds

The Graph to the left shows Ending Fund Balance for the **General Fund**. Actual Ending Fund Balance (EFB) for 2013/14 was better than Budgeted EFBtr

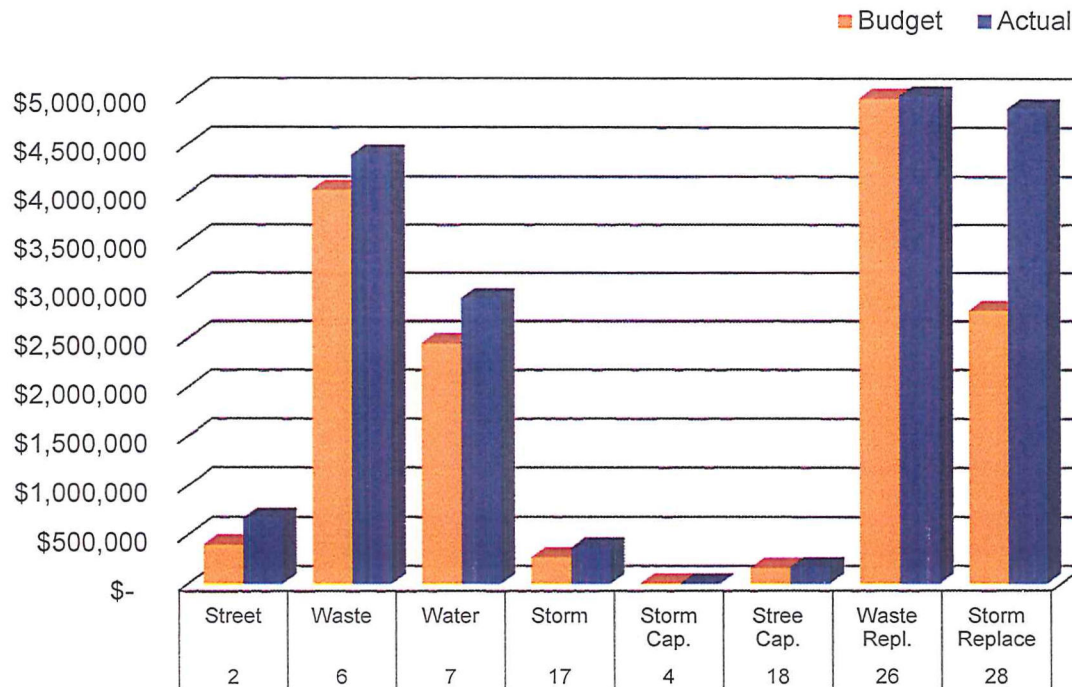


Newberg City Council – Dec 1, 2014 Annual Financial Update

How we did in 2013 /14 (Pre Audit)

Ending Fund Balance

Budget to Actual 2013/14



Public Works Funds (Operating)

The Graph to the left shows Ending Fund Balance for our operating funds. Streets, although, better than budget remains a concern water and waste water remain healthy due to the good work of the Rate Review committee.

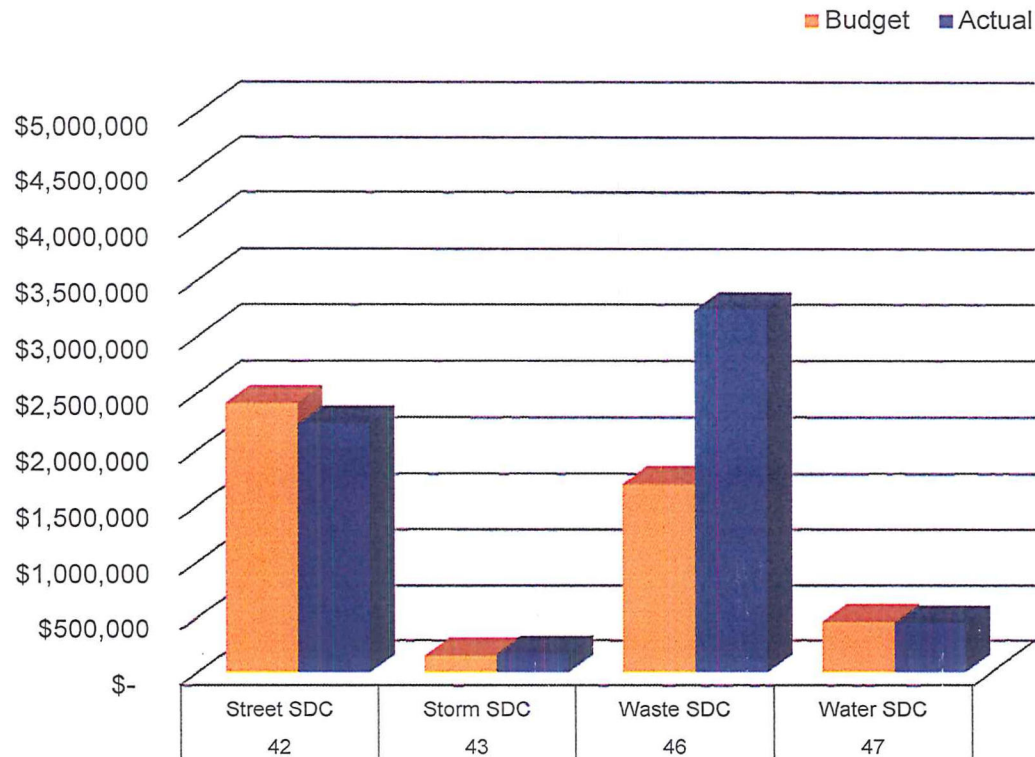


Newberg City Council – Dec 1, 2014
Annual Financial Update

How we did in 2013 /14 (Pre Audit)

Ending Fund Balance

Budget to Actual 2013/14



System Development Charges (SDC)

The Graph to the left shows Ending Fund Balance for the **General Fund**. Actual Ending Fund Balance (EFB) for 2013/14 was better than Budgeted EFB

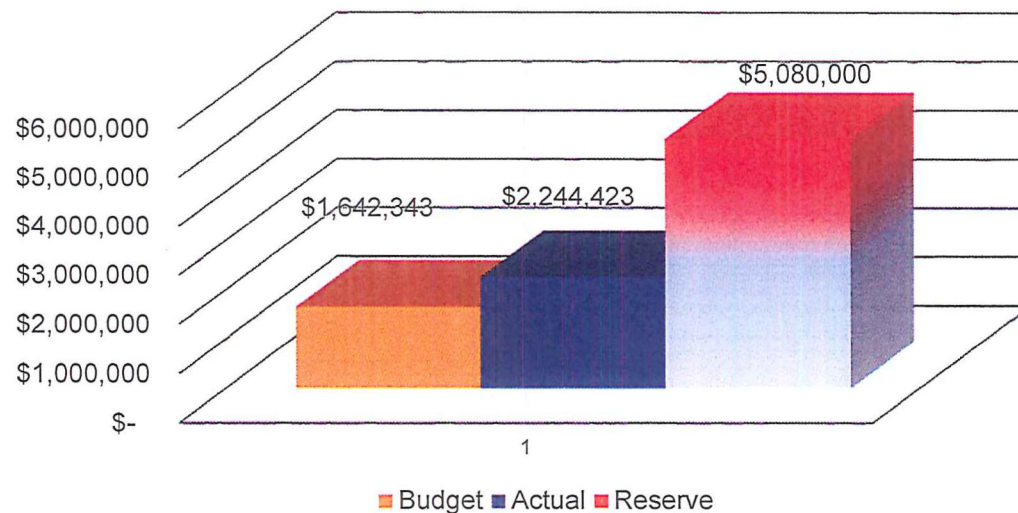


Newberg City Council – Dec 1, 2014 Annual Financial Update

- How we did in 2013 /14 (Pre Audit)
 - **Steady reserves**
 - General Fund health issues

Ending Fund Balance

Budget to Actual 2013/14



General Fund Only

The Graph to the left shows Ending Fund Balance for the **General Fund**. Actual Ending Fund Balance (EFB) for 2013/14 was better than Budgeted EFB. However, it continued to erode our reserves.



Newberg City Council – Dec 1, 2014
Annual Financial Update

- How we are doing 14/15 (General Funds 01,05, 08 & 31)
 - Revenue Delay's
 - Tax Improvement
- How are we doing in Operating Funds
 - Opportunity for Refinance

		FYE 15	
		<u>Bud.</u>	
Beg. Bal.		\$ 3,682,231	
Revenue		16,144,586	
<u>Expenses</u>	-	<u>17,277,185</u>	
<u>Rev. Less Exp</u>		<u>\$ (1,132,599)</u>	
Proj. EFB 14/15		\$ 2,549,632	
TLT \$	(76,275)	\$ 2,473,357	
PSF	(122,723)	\$ 2,350,634	
Strm Franchise	(39,050)	\$ 2,311,584	
Tax Assesor	606,302	\$ 2,917,886	
<u>Two Officers Late</u>	<u>40,000</u>	<u>\$ 2,957,886</u>	<u>New EFB</u>
Draw on Reserv		(724,345)	

This chart shows how the **General Funds** are Projected to finish the year after first 3 months of activity. We are Projecting to draw down reserves by \$724k. The reserves for these 4 funds should be close to \$5.7 million.

City of Newberg, Yamhill County, Oregon
 Full Faith & Credit Refunding Bonds, Series 2015
 (Refunding All Business Oregon Loans [excludes B07007] & COP Series 1999A)

Summary of Refundings - Uniform Savings for Each Loan

	COP Series 1999A	Business Oregon Loan K02006	Business Oregon Loan B06001	Business Oregon Loan K05007	Business Oregon Loan B98006	Business Oregon Loan G04002	Combined Loans Total
Sources of Funds:							
Principal	1,085,000	2,305,000	1,900,000	4,785,000	220,000	900,000	11,195,000
Premium / (Discount)	41,618	85,023	44,473	110,839	4,741	29,286	315,980
Prior Issue Debt Service Transfer	14,000	0	0	0	0	0	14,000
Total	1,140,618	2,390,023	1,944,473	4,895,839	224,741	929,286	11,524,980
Uses of Funds:							
Estimated Costs of Issuance ^(a)	21,920	40,555	35,774	88,159	4,641	14,339	205,388
Refunding Escrow	1,118,698	2,349,468	1,908,699	4,807,680	220,099	914,947	11,319,592
Total	1,140,618	2,390,023	1,944,473	4,895,839	224,741	929,286	11,524,980
Refunding Statistics							
Total Interest Expense	81,314	279,305	349,742	881,689	7,996	51,017	1,651,063
Average Annual Net D/S payment ^(b)	233,263	323,038	187,479	472,224	75,999	237,754	
Net Present Value Benefit	109,958	220,740	135,227	340,453	11,321	45,689	863,389
Net PV Benefit / Refunded Principal	10.0%	9.5%	7.3%	7.3%	5.2%	5.1%	7.8%
Negative Arbitrage in Escrow	(2,132)	(4,478)	(3,638)	(9,164)	(420)	(1,744)	(21,577)
Bond Statistics							
Average Life (years)	2.85	4.47	6.66	6.66	1.82	2.34	5.40
All Inclusive Yield (AIC)	1.89%	2.26%	2.67%	2.68%	1.81%	1.79%	2.52%
Final Maturity ^(c)	12/1/2019	12/1/2022	12/1/2026	12/1/2026	12/1/2017	12/1/2018	12/1/2026

(a) Costs include estimates of underwriting, F.A. Fees, legal expenses, escrow fees, Oregon charges and expenses, rating fee, rounding and other expenses.

(b) Excluding FY2015 which is only a part year, if present.

(c) Dated date for each option is 2/15/2015.

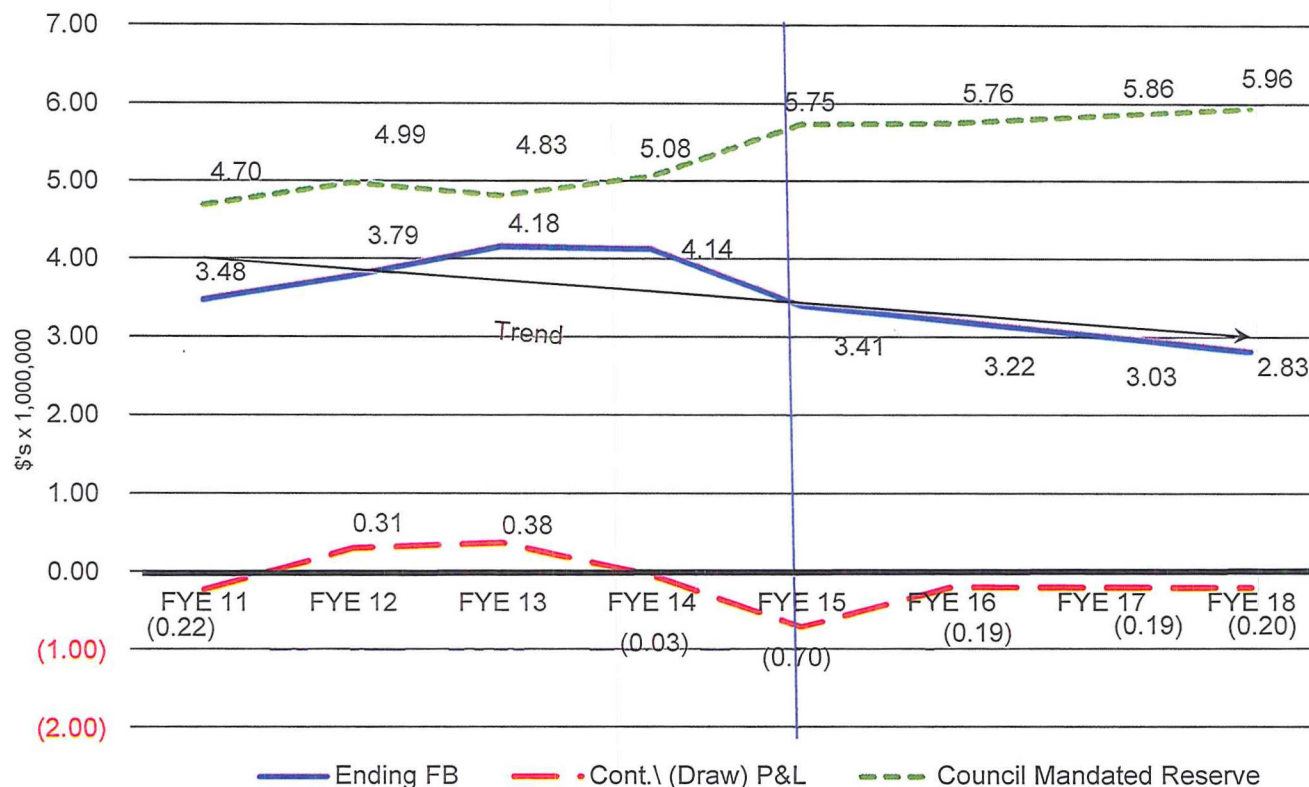
PROVIDED FOR DISCUSSION ONLY



Newberg City Council – Dec 1, 2014 Annual Financial Update

- General Funds Forecast Next 3 years
 - Still spending more than we make
 - Lean times are not over but maybe light at end of tunnel

City of Newberg General Funds



- We know the issues
- Better Budgeting
- Assessor is already improving tax assessments
- We are not Broke...



Newberg City Council – Dec 1, 2014 Annual Financial Update

- Thank you
- Questions