NEWBERG CITY COUNCIL MINUTES
REGULAR SESSION
DECEMBER 19, 2016, 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, Councilors Lesley Woodruff, Denise Bacon, Scott Essin, Patrick Johnson and Stephen McKinney. Councilor Mike Corey was excused. Also present were City Manager Joe Hannan, City Attorney Truman Stone, City Recorder Sue Ryan and Finance Director Matt Zook.

Mayor Andrews called the meeting to order. Mayor Andrews recognized Councilor Lesley Woodruff of District 1 with a certificate of appreciation and a gift. Her term would end December 31, 2016.

The Council received a legislative update. Representative Bill Post said the last election did not change things in the House, as it was still a 35/25 majority to minority Democrat to Republican. There was a shift in the Senate to 17/13. Some of his concerns were balancing the budget, a bill that would recreate Measure 97, Bypass and transportation package, affordable housing, and PERS reform. He was working on a bill that would add killing a police officer or fire fighter to the list of hate crimes. He wanted to remove the emergency clauses on bills, wanted to create a pregnant women's assistance fund, wanted to pass a Sudafed bill, and wanted to create a starting wage of 85% of the local hourly wage for 90 days.

There was discussion regarding the League of Oregon Cities' legislative priorities, the importance of the transportation package, and affordable housing issues.

City Manager Joe Hannan presented an update on Council Priorities. These included visioning over a three year period and implementing the visioning that had already been done, adopting Share Point software which allowed documents to be shared with all City departments which would help reduce redundancies, drafting a hardware and software equipment replacement schedule, creating a Long Range Financial Plan and drafting financial policies, project planning, reconciling conflicts among current master plans, staffing, and communication with the community.

The Work Session was adjourned at 7:05 p.m.

CALL MEETING TO ORDER
The Mayor called the business session to order at 7:15 p.m.

ROLL CALL

Members Present:	Mayor Bob Andrews	Scott Essin	Stephen McKinney
	Lesley Woodruff	Patrick Johnson	Denise Bacon
Staff Present:	Joe Hannan, City Manager	Truman Stone, City Attorney	
	Sue Ryan, City Recorder	Jay Harris, Public Works Director	
	Doug Rux, Community Development Department		
	Matt Zook, Finance Director	Jessica Pelz, Planner	
	Anna Lee, Human Resources Director	Kaaren Hofmann, City Engineer	

PLEDGE OF ALLEGIANCE: The Pledge of Allegiance was performed.

PROCLAMATION:
Mayor Andrews read a proclamation recognizing the Boys Water Polo Team's State Championship and declaring December 19, 2016, as a day in their honor.

Boy Scout Troop 269 attended the meeting to work on earning their citizenship in the community badge.

CITY MANAGER'S REPORT: City Manager Hannan reported on current activities across the City. He said City Hall had to close for half a day due to snow. He reported on future redevelopment of the City's waterfront. Staff was working on the City's Communication Plan. He met with members of the Cultural Center Board to discuss improvements to the

Cultural Center. The Oregon Community Foundation was looking at what the community needed and where philanthropy dollars would make the most difference. He met with the Mayor and red light camera people. CPRD, non-profit agencies, City of McMinnville, and the County had convened a trails group to discuss connection proposals. He met with County Mediators to discuss mediation training for City staff. There was a meet and greet with the Newberg Old Fashioned Festival. He also attended the Downtown Coalition Board meeting, Chamber Board meeting, Yamhill County Solid Waste meeting, and reviewed the PERS update.

PUBLIC COMMENTS: Pat Haight, Newberg resident, spoke on the trees that had been removed at the new pool site. She had been told by citizens that they thought CPRD was out of control. She heard the City had to decide on two options, to waive the SDCs and City fees for CPRD or allow CPRD to finance the SDCs and fees with little or no interest. This was taxpayer money that was supposed to be used to keep the City in good order. They could not keep paying for CPRD.

CONSENT CALENDAR:

MOTION: Bacon/Woodruff moved to approve the Consent Calendar including Resolution 2016-3344, A Resolution accepting the canvass of votes for the November 8, 2016 General Election, as provided by the Yamhill County Clerk Brian Van Bergen for three City Councilor positions and approving Council Minutes for November 21, 2016. Motion carried (6 Yes/ 0 No/1 Absent [Corey]).

PUBLIC HEARING–QUASI-JUDICIAL: Ordinance 2016-2810, Transportation System Plan:
Mayor Andrews opened the hearing and called for any abstentions or conflicts of interest on the part of the Council or objections to the Council's jurisdiction on this matter. There was none.

Planner Jessica Pelz and Consultant Garth Appanaitis of DKS Associates gave the staff report. Planner Pelz said this process began in 2011 and this was the final step in the adoption of the TSP update. Public comment had been received today from Larry Anderson. Mr. Appanaitis discussed the reasons for having a TSP, the process, and its components. The TSP met a requirement under state law and laid out the transportation vision for the community. This plan looked ahead to the year 2035. Newberg's plan was last updated in 2005. Components included vision items, goal statements, community input, and inventory process.

Under the update process deficiencies in the existing system were identified. Forecasting took into account that both population and employment would double by 2035 in Newberg. A set of recommendations was developed to meet pedestrian, bicycle, motor vehicle, and transit needs. Some key elements of the plan were a more pedestrian and bicycle friendly downtown and the Springbrook Road and Highway 99 West intersection improvements. Staff focused on the fundamental spine, the arterial and collector system that provided mobility and connectivity in the City. There were gaps in the systems for sidewalks and bike lanes, especially in the older neighborhoods. There were a variety of transportation standards, such as a functional class plan that denoted the intent and purpose of each roadway in the City. Other standards included access spacing and cross sections of roadways. A number of projects were identified in the Plan and were separated out on a list of projects that were a) likely to be funded and b) a list of aspirational projects.

Planner Pelz recommended adoption of Ordinance 2810. She discussed a question Councilor Johnson sent staff. He had asked about being able to plan 20 years out when they did not know if Phase 2 of the Bypass would be completed. If Phase 2 was not done, at what point did they begin to plan upgrading Springbrook to handle the increase in traffic. Mr. Appanaitis said it was hard to predict what the funding would be in the next 5 to 10 years. Money had been set aside by ODOT for right-of-way acquisition that was needed for the future alignment in Phase 2. If funding became available, the Plan could be updated. Because it was not a funded project in ODOT's 20-year construction horizon, they could not count on it as part of the Bypass analysis. There was public concern about what traffic would look like on the east side of town once the Bypass was completed. ODOT had agreed to help monitor and address the unforeseen impacts if traffic did not react the way it was anticipated.

Mr. Appanaitis said the correspondence from Larry Anderson had to do with concerns regarding the collection and expenditures of the City's SDCs, project cost estimates, and identified likely to be funded options. Planner Pelz explained he was unhappy with how Crestview Drive was funded and developed. There was discussion regarding elevated walkways for pedestrian traffic at intersections, funding the Plan, and possible SDC increases.

Proponents: None

Opponents: None

Mayor Andrews closed the public testimony portion of the hearing.

MOTION: Johnson/Bacon moved to waive the second reading of Ordinance 2016-2810. Motion carried (6 Yes/0 No/1 Absent [Corey]).

Deliberations:
Mayor Andrews clarified the adoption of the TSP would also amend the Comprehensive Plan and Development Code. The TSP was a living document and could be amended as new issues came up. Councilor Essin explained Mr. Anderson's concern was the relative ease of amending the TSP and it could cause issues with funding. He did not think the concern affected adoption of the TSP.

MOTION: Essin/Bacon moved to approve Ordinance 2016-2810, An Ordinance adopting the Transportation System Plan and associated Comprehensive Plan and Development Code amendments to be read by title only. Motion carried (6 Yes/0 No/1 Absent [Corey]).

Community Development Director Rux thanked Planner Pelz for her work at the City. She was leaving to work for Washington County.

CONTINUED BUSINESS – Resolutions 2016-3339, Waiver of SDCs for CPRD Aquatic Center:
CDD Rux said on November 7 Council discussed the request from CPRD to waive the SDC charges for the new pool facility. The decision was continued and staff had been discussing it with CPRD ever since. In 2007, a resolution was passed allowing waivers of SDCs for projects that served predominately low to moderate income individuals. The applicant must be a non-profit, and CPRD was a government agency and was tax exempt. The proposed project had to principally serve low to moderate income, and staff found there was no definitive quantifiable number for patrons of the aquatic facility. Staff also provided an analysis of the impact to the water, sewer, storm, and transportation SDCs. The overall waiver request was for $361,261. There was an option to pay SDCs in installments, but the Council would have to set an interest rate. The Council could also allow the payments to be deferred. The impact to waiving the SDCs was reducing 33% of the transportation SDC revenue that was expected to be received and 12% of the revenue that was expected for the wastewater SDC in the 2016-17 Fiscal Year. The three projects that would be using this funding were Villa Road, Crestview Drive, and Elliott Road. There were two resolutions for the Council to consider, one that would waive the SDCs and one that would deny waiving the SDCs.

There was discussion on the CPRD Board's request to waive the SDCs and how the CPRD Park SDCs could be used towards the funding gap for the pool project or toward paying the required City SDCs.

Don Clements, CPRD Superintendent, said the CPRD Board understood the reasons for SDCs. This was an expansion of a facility and they would be providing the same service. SDCs were for future development and this facility was already there. They more than met the requirements of being a non-profit and serving low income families, however they would honor whatever decision was made. The project had come in 10% higher than originally thought. They wanted to do more than the minimum and produce a facility that would serve the community the best they could. A CPRD citizen action committee had recommended requesting a waiver of the City SDCs and the Board was trying to move on this project as quickly as possible as they had already signed the construction contract.

Councilor McKinney asked what additional demands the new project would create for the City. The pool was not new, but the additional demands on the system were the problem. If they could not pay the full SDC amount, was there a dollar amount that CPRD could offer to mitigate the additional demands? Mr. Clements said currently they only had one body of water. They were not able to serve all of the competitive teams in the area and it did not fit everyone's needs as swimmers liked the pool cooler and leisure users liked it warmer. With two pools of water CPRD would be able to meet the needs of Newberg. The senior population was growing and wanted to use the pool as well. The bond measure was run by the

community and it passed. CPRD's job was to administer it to the best of their ability, and they were looking at every avenue they could. One was to request a waiver of the SDCs. CPRD was not new, had improved parking in the area, and put in a bicycle lane.

Councilor Johnson asked if CPRD knew how much more traffic would be generated by the upgraded pool facility. Mr. Clements could not remember the impacts that were found in the traffic study. He knew it would generate more traffic and knew the City had a funding gap for street maintenance.

Councilor Essin asked how much of the project was improvements to the old pool and how much was construction of the new pool? There might be some agreement to exempt the old pool since it was already there, and only charge SDCs for the new pool. What percentage would that be? Engineer Hofmann said the dollar amounts charged to the pool for SDCs did not include any of the existing pool. They were for the new facility only.

Deliberations:
Councilor Essin was not sure if CPRD met the criteria that they primarily served low to middle income citizens. He was in favor of waiving a percentage of the SDCs due to the amount of work CPRD did on behalf of the public and that the bond was approved by the public.

Councilor Bacon said CPRD was asking the City to make up their shortfall. She did not think CPRD primarily served low to middle income. She did not like how this request came to the Council at the last minute and how the City was not able to be a partner in a positive way. The pool served a larger population than just Newberg; however, the burden was on Newberg.

Councilor Johnson discussed the public perception of putting a street maintenance fee in place as the Council was trying to do, and then waiving these fees and how people would think they should instead be using the money for streets. They were also going to be asking for a gas tax. They could not afford to waive the fees as there was a shortfall for projects. He thought CPRD should have come to the City with the problem earlier and discussed ways to partner with CPRD.

Councilor McKinney thought there had been considerable conversation in the community regarding the pool. There was a demand on funds like never before, and the City was being constantly asked for more money. He wanted to make sure there were no misconceptions or accusations. He was in support of the motion.

Councilor Woodruff was in favor of the motion. She did not see that CPRD primarily served low to middle income and preferred to have partnered with CPRD earlier in the process.

MOTION: Bacon/Johnson moved to approve Resolution 2016-3339, A Resolution denying System Development Charge waivers for wastewater, storm system and transportation for the Chehalem Aquatic and Fitness Center at 1802 Haworth Avenue. Motion passed (5 Yes/1 No [Essin]/1 Absent [Corey]).

NEW BUSINESS: Resolution 2016-3351, SDC Agreement and Note:
CDD Rux said staff had discussions with CPRD regarding making installment payments for paying their SDCs. The payments would be every six months, and CPRD could defer payments until a temporary occupancy or certificate of occupancy was issued. Staff recommended charging an interest rate of .001% which would be $3.61 during a one year period. CPRD staff would need to go back to the CPRD Board and pass a resolution authorizing the Superintendent to sign a deferment agreement and to authorize a lien to be placed on the property.

Mayor Andrews asked if there would be recording fees. CA Stone said the lien could be recorded through the City's lien service for which there was not a fee. Mayor Andrews asked what the beginning date of the agreement would be. CDD Rux replied the deferment agreement was a 12-month agreement from December 2016 to December 2017. They would not be able to use the pool until the SDCs were paid. Staff was still working on how this would affect the timing of the projects that would use this funding.

Councilor Johnson stated there had been a question regarding setting precedent. He saw this as an agreement between two government bodies and the reason for the agreement was that it created a greater public good.

MOTION: Johnson/Bacon moved to approve Resolution 2016-3351, A Resolution approving a System Development Charge Agreement and Note and establishing an interest rate of .001% related to construction of the Chehalem Aquatic and Fitness Center at 1802 Haworth Avenue. Motion carried (6 Yes/0 No/1 Absent [Corey]).

Resolution 2016-3340, Reducing City Fees for CPRD Aquatic Center:
CDD Rux said this item was tabled at the November 7 meeting. CPRD was asking for a reduction in the permit fees for building and engineering. It would roll the fees back to the 2015 fee schedule. There were no criteria in the Code for this type of request. The reduction in fees would be $11,049.03. He explained the State surcharges that could not be waived and described the funds that would be affected. The School District waived their Construction Excise Tax and CPRD did not have to pay park fees to themselves.

There was discussion regarding the fee estimations, not including the State surcharges, and not reducing the technology fees since they were not included in the 2015 fee schedule.

MOTION: McKinney/Johnson moved to approve Resolution 2016-3340, A Resolution reducing permit fees for Building Division grading, site utilities, structural, mechanical, plumbing, fire alarm/sprinklers, solar, and deferred submittal for construction of the Chehalem Aquatic and Fitness Center at 1802 Haworth Avenue. Motion carried (6 Yes/0 No/1 Absent [Corey]).

COUNCIL BUSINESS:
Mayor Andrews said there was LOC Elected Essentials training in Happy Valley January 5. The next Council meeting would be January 3.

Councilor Bacon said the Winter Shelter was open for eight days and had served 64 people.

Councilor Woodruff thanked the Council and staff for their hard work. She had thoroughly enjoyed the experience of serving on the Council. She would continue to participate in City activities.

EXECUTIVE SESSION: pursuant to ORS 192.660 (2) I Performance Evaluations of Public Officers and Employees

The Council went into Executive Session at 10:30 p.m. The purpose was for the evaluation of City Manager Hannan.

Present were Mayor Andrews, Councilors Denise Bacon, Scott Essin, Patrick Johnson, Stephen McKinney and Lesley Woodruff. Also present were City Manager Hannan and Human Resources Director Lee.

The Executive Session was adjourned at 11:30 p.m.

ADJOURNMENT: The meeting was adjourned at 11:30 p.m.

ADOPTED by the Newberg City Council this 17th day of January, 2017.

Sue Ryan, City Recorder

ATTESTED by the Mayor this 19th day of January, 2017.

Bob Andrews, Mayor